The Dynamics of Women's Poverty in Canada

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and

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Canadian Council on Social Development

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- the accuracy, completeness and timeliness of the information presented;
- the extent to which the analysis and recommendations are supported by the methodology used and the data collected;
- the original contribution that the report would make to existing work on this subject, and its usefulness to equality-seeking organizations, advocacy communities, government policy makers, researchers and other target audiences.

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TABLE OF CONTENTS

PREFACE iii

ACKNOWLEDGMENTS iv

LIST OF ACRONYMS v

EXECUTIVE SUMMARY vi

1. INTRODUCTION 1

2. KEY CONCEPTS AND MEASUREMENTS 4
   - Measuring Poverty 4
   - Measuring Poverty Using the Survey of Income and Labour Dynamics 5
   - Poverty Typology for Studying the Dynamics of Poverty 6

3. TWO-YEAR POVERTY PROFILE 9
   - Sex and Age 9
   - Family Type 12
   - Visible Minority Status 15
   - Disability Status 16
   - Educational Attainment 18
   - Region 19
   - Conclusion 19

4. EXITING AND ENTERING POVERTY 20
   - Age and Family Type 20
   - Changes in Family Composition 22
   - Conclusion 25

5. MEASURING THE MOVE: POVERTY AND INCOME DYNAMICS 27
   - Persistently Poor 27
   - Exiting Poverty 29
   - Entering Poverty 31
   - Conclusion 33

6. MARKET INCOME, TRANSFER INCOME AND POVERTY DYNAMICS 35
   - Persistently Poor 37
   - Exiting Poverty 38
   - Entering Poverty 39
   - Non-Poor 39
   - Conclusion 39

7. CONCLUSION 41
Main Findings 41
Policy Options to Alleviate Women's Poverty 42
Strategies 48
Conclusion 55

APPENDIX: LICOS USED IN ANALYSIS 56

BIBLIOGRAPHY 58

ENDNOTES 65

PREFACE

Good public policy depends on good policy research. In recognition of this, Status of Women Canada instituted the Policy Research Fund in 1996. It supports independent policy research on issues linked to the public policy agenda and in need of gender-based analysis. Our objective is to enhance public debate on gender equality issues, and to enable individuals, organizations, policy makers and policy analysts to participate more effectively in the development of policy.

The focus of the research may be on long-term, emerging policy issues or short-term, urgent policy issues that require an analysis of their gender implications. Funding is awarded through an open, competitive call for proposals. A non-governmental, external committee plays a key role in identifying policy research priorities, selecting research proposals for funding and evaluating the final reports.

This policy research paper was proposed and developed under a call for proposals in August 1997 on *reducing women's poverty: policy options, directions and frameworks*. Status of Women Canada funded nine research projects on this issue. These projects range from very broad analyses to more focussed studies.

Some of the broad areas of policy research undertaken through this call for proposals examine the dynamics of poverty, links between social policy and gender inequality, and frameworks and policy options for reducing women's poverty. Some of the more specific research questions look at links between housing and employment, hidden costs of eldercare, effects of home care, pay equity in Quebec, the relationship between women and the state in Quebec, and retirement incomes. A complete list of the research projects funded under this call for proposals is included at the end of this report.

We thank all the researchers for their contribution to the public policy debate.

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LIST OF ACRONYMS

CAP	Canada Assistance Plan
CHST	Canada Health and Social Transfer
CPP	Canada Pension Plan
EI	Employment Insurance
GAI	Guaranteed Annual Income
GIS	Guaranteed Income Supplement
LICO	Low Income Cut-Off
OAS	Old Age Security
QPP	Quebec Pension Plan
SLID	Survey of Labour and Income Dynamics
TAGS	The Atlantic Groundfish Strategy

EXECUTIVE SUMMARY

Most quantitative research on poverty in Canada has been conducted using cross-sectional surveys. While such surveys have enabled researchers to examine the incidence and depth of poverty, they have not contained the longitudinal information necessary to examine the *duration* of low income or *movements* across low-income thresholds over extended periods of time. Consequently, little is known about the dynamics of poverty: How many people who are poor in one year manage to climb out of poverty the next year? How many people fall into poverty from one year to the next? What are the circumstances associated with a movement into or out of poverty? Are the poverty dynamics of men and women different or similar? In what respects?

This report examines gendered dimensions of movements into and out of poverty, drawing on the new longitudinal Survey of Labour and Income Dynamics (SLID) for 1993 to 1994. Specifically, it looks at the situation of different groups of women in an effort to identify the interaction of competing forces shaping women's movement into and out of poverty, and key transitional events in women's lives which have an impact on their economic security and the rights of citizenship.

The information gathered confirms many prior findings in this area. To a large extent, this two-year poverty portrait is similar to the poverty portrait revealed in comparable cross-sectional surveys. Our study confirms that gender, age and educational attainment are key variables in determining economic vulnerability in the 1990s. In addition, individuals with disabilities, recent immigrants and members of visible minorities also have a higher incidence of persistent poverty and are more likely to enter poverty than the general populace. The needs of these particular groups should be central in devising policy and programs that attempt to alleviate poverty.

While recognizing the limitations of conducting a longitudinal analysis with only two points in time, the survey lets us also look at other dimensions that are important to policy and program reform. In our study, we examine the link between family composition and low-income status in detail and find that changes in family composition do influence the economic fortunes of women, both positively and negatively. The poverty entry rate for women who started 1993 as part of a couple and ended 1994 as single or a lone parent, for example, was 10 times the rate of women who remained a part of a couple over the period. These data clearly show that having more than one earner in the family or household in the absence of access to secure, well-paying employment and/or adequate income security programs is a prerequisite to achieving financial security for low-income Canadians, especially women.

The other important finding for policy consideration is the magnitude of the shifts in income associated with falling into, and climbing out of, poverty. Almost two thirds of women who climbed out of poverty in 1994 did so on the basis of an increase in family income of more than $10,000 while 75 percent of those who fell into poverty experienced a decline in family income of the same magnitude. These shifts in income are clearly related to changes in

market-based income sources, rather than changes in income transfer programs per se. They tend to be associated with, first, as noted above, the presence of other earners, and second, changes in income of these other family members (most often male partners). Our study shows that reliance on income transfer programs such as social assistance or even Employment Insurance does not afford women a great deal of protection from poverty.

These data suggest that a multi-faceted approach is necessary to alleviate women's poverty, one that combines specific initiatives targeted at high-risk groups (such as single mothers and older women) and initiatives that improve women's economic standing more generally.

Anti-Poverty Strategies

- Transform current social assistance program into one based on citizenship.
- Reduce relative importance of means-tested programs in supporting poor women.
- Enrich benefit levels.
- Recognize the value of caring labour in program design and delivery.
- Provide a flexible range of income support programs.
- Integrate income support options with *long-term* education and/or employment strategies.
- Provide "bridging" programs.
- Address gender inequities in immigration policy.
- Provide a range of support services for all poor women.

Fostering Women's Equality

- Introduce and enforce equal opportunity and pay equity laws and programs to reduce workplace discrimination.
- Enhance and enrich paid maternity, parental and family leave.
- Build a high-quality, affordable and accessible public child care system.
- Address conditions in the low-wage labour market.
- Facilitate the organization of workers.
- Encourage a more equitable balance of power and resources within families/households.

- Value caring labour.

The solution to women's poverty lies in providing a range of options that afford women choice over their lives. The fact that women are more vulnerable to poverty and that their poverty hangs on access to the income of other family members suggests that there is an acute need for policies and programs that foster women's economic independence. The link between economic security and dependency through marriage or other personal relationships, revealed in this study, is problematic. Paid employment is clearly one route to greater economic autonomy, but only one. In addition, we need to look at issues of autonomy within households and vis-à-vis the state. As stated, alleviating women's poverty is ultimately about giving women choice: the choice to pursue paid labour, the choice to care for others, or even follow other personal interests without sacrificing their own well-being or the well-being of their families.

1. INTRODUCTION

Interest in poverty has waxed and waned over the years, reflecting Canadians' often contradictory feelings about the poor. On the one hand, Canadians take great pride in their social and economic achievements, decrying evidence of greater income polarization through the 1990s in general and related increases in child poverty in particular. On the other, many Canadians remain suspicious of the poor, believing that poor men and women are the authors of their own misfortune, that a little effort and initiative stand between impoverished individuals and the economic mainstream.

Given the breadth of conflicting public opinion, it is perhaps not surprising that there is a diversity of opinion on how to approach poverty. This work ranges from specific micro-level program recommendations for alleviating poverty to broader macro-level initiatives to generate employment opportunities and greater social and economic equality. These differences reflect divergent understandings of the root causes of poverty, as well as divergent points of view about the goals of poverty alleviation, and the best approaches and policy tools to use in achieving these goals. Similarly, profound differences exist regarding the gendered nature of poverty in Canada and the impact of social welfare policies on women.

In this context, credible research about the lives of the poor and the effectiveness of existing programming is essential to identifying directions for reform. We know, for instance, that the face of poverty has changed in Canada (Campaign 2000 1997; Cheal 1996; National Council of Welfare 1998; Ross et al. 1994). These and other reports have shown that women continue to be more vulnerable to poverty than men (Gunderson et al. 1990; Harman 1992; National Council of Welfare 1990). As well, there have been noticeable changes across age groups. Since the early 1970s, there has been a dramatic decline in the incidence of poverty among elderly families, and an increase among young families—especially those headed by lone parents, most of whom are women. In terms of education, the last decade has witnessed a tremendous increase in the incidence of poverty among Canadians with lower levels of educational attainment. Through the 1980s and 1990s, the depth of poverty (the extent to which the incomes of poor families fall below the poverty line) has remained persistently high.

Analysis has also shown the diminishing degree to which economic security is being derived from the labour market (Schellenberg and Ross 1997). Low-wage jobs, unemployment and obstacles to labour force participation continue to limit the capacity of women to derive enough labour market earnings to raise them over the poverty line. Hardest hit have been families headed by young men and women, and female lone parents.

The impact of labour market changes is likely to continue to be felt by Canadians—particularly women. Women's segmentation in the labour force, their unequal participation and their unpaid domestic labour will continue to limit their ability to achieve and sustain economic autonomy throughout their lives. Their capacity to do so may be further diminished as the work force is restructured, and access to high-quality employment continues to

change. For some women, employment inequalities will also be compounded by their membership in other disadvantaged groups.

To date, most quantitative research on poverty in Canada has been conducted using cross-sectional surveys, particularly the Survey of Consumer Finances (produced annually by Statistics Canada). While such surveys have enabled researchers to examine the incidence and depth of poverty, they have not contained the longitudinal information necessary to examine the *duration* of low income or *movements* across low-income thresholds over extended periods of time. Consequently, little is known about the *dynamics* of poverty. For example, how many people who are poor in one year manage to climb out of poverty the next year? How many people fall into poverty from one year to the next? What are the circumstances associated with a movement into or out of poverty? How many are persistently poor? How many people are exposed to poverty only for a short time? Are the poverty dynamics of men and women different or similar? In what respects?

This study draws on the Survey of Labour and Income Dynamics (SLID)[1] which provides initial information to begin to answer such questions. Unlike more conventional cross-sectional surveys, the SLID is longitudinal in nature, as it surveys the same group of respondents over several years. In this report, we use data from the SLID for 1993 and 1994 to examine the gendered dimensions of movements into and out of poverty, looking at the situation of different groups of women. In doing so, we identify the interaction of competing forces shaping women's movement into and out of poverty, and some key transitional events in women's lives, such as marriage/cohabitation and divorce/separation, which have an impact on their economic conditions.

The report then examines government income security programs, and gendered patterns of usage. Specifically, what role do government income security programs play in preventing women's poverty or in mediating the declines in income people may experience as a result of job loss or other key transitional events? The results of the quantitative analysis lay the basis for an informed discussion of new policy directions and options to reduce women's poverty. Do current policies and programs meet the needs of women taking into account the dynamic character of poverty?

As only two years of data were available for this study, our results are more suggestive than conclusive about the dynamics of women's poverty. But they do reveal key factors behind the persistence of women's economic insecurity, and establish a framework for studying the gendered dynamics of poverty as additional years of data are compiled and analyzed.

The report is organized into four parts. First, is a discussion of key concepts and measurements. Second, we present a two-year poverty profile, which examines the rate of "persistent poverty" (poor for two consecutive years) and "total poverty" (poor for at least one of the two years under study). Differences between women and men, and among selected groups of women are presented. We discuss differences among women on the basis of age, disability status, visible minority and immigrant status, family type, education levels and geographic region. The third part of the report focusses on the "transitional poor," that is,

those who enter and exit poverty. The fourth part examines the role of government income security programs in relation to poverty and income dynamics, examining women's patterns of usage and reliance on these programs.

In the conclusion, we return to the question of public policy and the effectiveness of anti-poverty programs for women in light of our findings. Our findings suggest that a multi-faceted approach is necessary to alleviate women's poverty, one that combines specific initiatives targeted at high-risk groups (e.g., single mothers and older women) and initiatives that improve women's economic standing more generally.

2. KEY CONCEPTS AND MEASUREMENTS

Measuring Poverty

Throughout this report, poverty is measured using Statistics Canada's Low Income Cut-Offs (LICOs). Individuals (women, men and children) are said to be poor if their total family income before taxes falls below the LICO. There are 35 separate cut-offs that are adjusted for family size and population of area of residence. The appendix shows the LICOs used in this analysis.

It must be stressed that Statistics Canada itself states that LICOs are not poverty lines. Rather, Statistics Canada defines a set of income cut-offs below which people are said to be living in "straitened circumstances." There is an extensive and ongoing debate and discussion among researchers, policy makers and social commentators as to the appropriate measurement of poverty. As of yet, Canada has no official definition of poverty. Statistics Canada does recognize, however, that LICOs "are in wide use and are the main concept promoted by Statistics Canada for determining low income status of families" (Statistics Canada 1997a: 128). In addition, the chief statistician of Canada recently stated that LICOs "reflect a consistent and well-defined methodology that identifies those who are substantially worse off than average" (Fellegi 1997). Many social policy analysts have used and continue to use LICOs to measure poverty. While recognizing the debates surrounding the measurement of poverty, the term "poverty" is used throughout this report.

It should also be noted that the analysis in this report uses family income to measure poverty. Individuals with little or no income (as in the case of young children) are only deemed poor if their family income falls below the poverty line. The organization of primary data sources around the family unit is a significant barrier to understanding the economic position of women. Individuals within the family are identified by their relationship to the head, defined in most instances as the male breadwinner. Unless women are identified as head of household, that is, as unattached or with no spouse present, it is difficult to conduct conclusively a gender-specific analysis. It also raises critical issues in the analysis of women's poverty because it assumes that women with little or no personal income share equally in the distribution of family income, an assumption that is not supported by recent research (Acker 1988; Woolley 1998).[2] In this report, the limitations of a family-income-based measure of poverty are noted, but we have not attempted to develop an alternative measure.

The families in our study are "economic families," not "census families." An economic family includes all relatives who are related by blood, marriage (including common-law relationships) or adoption, living together at the time of the survey. In addition, we have chosen to use "before-tax" LICOs in keeping with previous poverty research. These calculations are based on total family income, including earnings, investment income, government transfer payments, retirement pensions, superannuation and annuities, and other money income. (It should be noted that "after-tax" LICOs are increasingly being used in

poverty research. This method determines low-income status based on disposable income—after tax and after transfers. (See Noreau et al. 1997; Drolet and Morissette 1999.)

Measuring Poverty Using the Survey of Labour and Income Dynamics

Given that most quantitative analysis of poverty in Canada has relied on annual cross-sectional surveys, it is no surprise that the issue of the appropriate time period over which poverty is measured has received little attention. The conventional approach has been to measure income and poverty over a one-year period, typically following the calendar year. Such an approach is in keeping with the accounting period used in most income surveys. But, episodes of poverty may be of shorter duration, as in the case of a temporary loss of income associated with events such as unemployment, disability, divorce or separation (Ruggles 1990). In short, a woman with adequate income in the first half of the year, but inadequate income in the second half may, on average, be counted as non-poor from the viewpoint of the entire year.

Annual cross-sectional income surveys are also limited in their ability to tell us anything about poverty in the longer term. For example, cross-sectional surveys show that in 1995 there were an estimated 480,000 non-elderly unattached women with incomes below the poverty line. In 1996, the estimated number of poor non-elderly unattached women remained the same, at 480,000 (Statistics Canada 1997b). However, we do not know whether these are the same poor women from one year to the next, or whether there was significant "turnover" in the poor population. Patricia Ruggles (1990: 105), writing for the Washington based Urban Institute, suggests that "it seems to have been widely assumed that most of those in poverty typically remained poor from year to year." But, the distinction between those who are "temporary" poor versus those who are "persistently" poor can be very important for public policy. Differences in the characteristics of the two groups, and the causes and consequences of their poverty, may demand different kinds of public policy response (Ross et al. 1994: 32). Moreover, the duration and frequency of poverty are defining elements of both the degree of hardship felt and the longer-term consequences associated with low income (Ross et al. 1994). As noted by the former Economic Council of Canada in its 1992 report, *The New Face of Poverty*, "the social and economic difficulties of people who are poor year after year differ significantly from those experiencing one short spell of poverty" (24).

With the introduction of the Survey of Labour and Income Dynamics, Statistics Canada has provided an important resource with which to capture changes in the income, labour force and family characteristics of individuals over time. While the SLID follows the convention of measuring poverty and income over a calendar year and, hence, does not permit examination of shorter spells of poverty, by virtue of its longitudinal design, it tells us who remains poor from one year to the next. (While the current study is limited by the fact that only two years of data were available for analysis, as additional years of the survey are completed, we will be able to conduct more in-depth work, looking at the duration and frequency of poverty spells, as well.)

The target population of SLID 1993-94 consists of individuals of all ages living in Canada, excluding residents of Yukon and the Northwest Territories, residents of institutions, Indian reserves and military barracks. A total of 35,000 individuals were questioned about their family relationships and family income. Men and women aged 16 and older answered additional questions about income, labour market activity, educational attainment, visible minority status, immigration status and work limitation status.

We see from Table 1 that there are a total of 14,471 women and 13,383 men over the age of 16 years on the two-year (1993-94) longitudinal person file of the SLID. Because it is necessary to have information for both years to study poverty dynamics, persons for whom poverty data are missing for either year have been excluded from the analysis. (This approach was adopted in Noreau et al. 1997.) Likely, this results in lower weighted estimates of the absolute number of poor women and men than if these individuals had been included.[3]

Table 1: Unweighted Sample Counts, Individuals (16+ years): SLID Longitudinal Person File, 1993-94

Women	**1994 Poverty Status**				
1993 Poverty Status	Poor	Non-poor	Don't know	Not applicable	Total
Poor	1,753	502	2	32	2,289
Non-poor	761	11,036	2	67	11,866
Don't know	60	126	5	13	204
Not applicable	6	2	0	104	112
Total	2,580	11,666	9	216	14,471

Men	**1994 Poverty Status**				
1993 Poverty Status	Poor	Non-poor	Don't know	Not applicable	Total
Poor	980	423	0	21	1,424
Non-poor	570	10,896	3	136	11,605
Don't know	51	142	3	8	204
Not applicable	3	6	0	141	150
Total	1,604	11,467	6	306	13,383

Source:
Survey of Labour and Income Dynamics, 1993-94, public use microdata.

Poverty Typology for Studying the Dynamics of Poverty

Table 2 shows the estimated number of women age 16 and over by their poverty status in both 1993 and 1994. From this table, we can derive several useful measures and concepts

with which to capture the dynamics of poverty: the persistent poor, the transitional poor, the total poor and the non-poor.

Table 2: Number of Women (16+ years) by Two-Year Poverty Profile 1993-94

1993 Poverty Status	1994 Poverty Status		
	Poor	Non-poor	Total
Poor	1,483,100	399,100	1,882,200
Non-poor	640,200	8,571,700	9,211,900
Total	2,123,300	8,970,800	11,094,100

Source:
Survey of Labour and Income Dynamics, 1993-94, public use microdata.

Persistent Poor

An estimated 1,483,100 women aged 16 and over were poor in both 1993 and 1994. This does not mean that the individual or family incomes of these women were unchanged from one year to the next. It simply means that in both years, the family incomes of these women remained below the LICO. Women and men who experience two consecutive years of poverty are referred to as the *persistently poor*.[4] Using this concept, it is possible to measure the *rate of persistent poverty* as the number of women who were poor in both 1993 and 1994 as a proportion of the total number of women in the population. This yields a rate of persistent poverty of 13.4 percent among women aged 16 and over.

Transitional Poor

As shown in Table 2, an estimated 399,100 women who were poor in 1993 were no longer poor in 1994. Similarly, an estimated 640,000 women who were non-poor in 1993 became poor in 1994. Throughout this report, these women are referred to as the *transitional poor*.

The transitional poor are made up of two groups: those who enter poverty and those who exit poverty. If the number of women exiting poverty is expressed as a percentage of the total poor in 1993, we can determine the *rate of poverty exit*. The rate of exit for poor women was 21.2 percent between 1993 and 1994. In other words, of all poor women in 1993, about one in five exited poverty in 1994. Using a similar approach, the *rate of poverty entry* can be calculated as the number of women who entered poverty in 1994 expressed as a percent of the total non-poor population in 1993. From Table 2, we see that the rate of entry was 6.9 percent. The rates of entry and exit are simple measures of the likelihood that someone will change poverty status from one year to the next. We use these measures to examine whether certain groups within the population are more or less likely than other groups to enter or exit poverty.

Total Poor

In this report, *total poor* is a measure of the number of individuals who were poor in *at least one of the two years*. It includes the persistently poor, plus the transitional poor. It is

a useful measure insofar as it provides a general assessment of the vulnerability of a population expressed over a longer period.[5] For example, to assess the need for a particular policy or program, or to determine the number of people affected by a particular policy change, a two-year frame of reference can provide a useful alternative to the more conventional one-year poverty rate.

Again referring to Table 2, we see that an estimated 2.5 million women were poor for at least one of the two years in 1993 and 1994, accounting for 22.7 percent of all women aged 16 and over.

Non-Poor

In this report, the *non-poor* are those who are above the poverty line in both years.

3. TWO-YEAR POVERTY PROFILE

Living with low income is an experience with which many Canadians are familiar. It is also an experience more likely to be lived by women. Writing in the journal *Canadian Woman Studies*, Lesley Harman (1992: 6) observes that "at every stage of their lives, women are more likely to be poor, and are more likely to be trapped in a life of poverty." The following two-year profile of poverty largely supports Harman's observation. Not surprisingly, we find that factors related to the likelihood of poverty among women in cross-sectional surveys, such as age, marital status, the presence of children, disability, emerge as key factors in this two-year profile as well.[6]

Sex and Age

The rates of persistent, transitional and total poverty over the period 1993 to 1994 are shown in Table 3. It is clear that women are far more likely than men to have been poor in at least one of the two years. The rate of total poverty among women was 22.7 percent, compared with 17.5 percent among men. If the difference in these rates does not appear large (5.2 percentage points), consider what they mean in absolute numbers. Between 1993 and 1994, 2,522,000 women spent at least one year in low income, compared with 1,858,000 men—a difference of 644,000.[7] Expressed in slightly different terms, *if men had the same total poverty rate as women*, the number of poor persons in Canada would have been larger by well over one-half million.[8]

The numbers also support the argument that women are at greater risk of poverty throughout their lives. Within all age groups, women are more likely than men to have been poor in 1993 and/or 1994. As shown in Figure 1, the difference in the total poverty rate is markedly higher among younger men and women, narrowing somewhat for those age 35 to 54, and widening among men and women age 55 and over, particularly among seniors.[9]

The divergence in the total poverty rate of elderly women and men stems from a number of factors (Eichler 1983; Harman 1992; National Council of Welfare 1990; Townson 1995) including:

- gendered patterns of labour market participation and segmentation;
- women's primary responsibility for childbirth, child rearing and unpaid domestic labour;
- a pension system tied fundamentally to labour market earnings; and
- life expectancy.

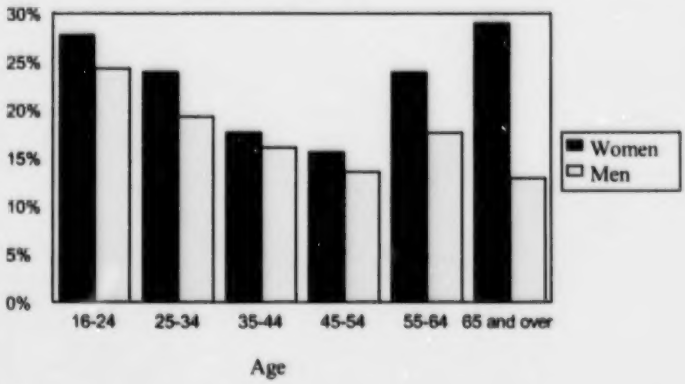
Table 3: Persistent, Transitional and Total Poverty 1993-1994, by Sex and Age, Persons Age 16 and Over

Age* and Sex	Poverty Status Over 1993 and 1994					
	Persistent Poor (Below LICO in both years)		Transitional Poor (Below LICO in one year only)		Total Poor (Below LICO in at least one year)	
	%	# (000s)	%	# (000s)	%	# (000s)
Women 16 and over	13.4	1,483	9.4	1,039	22.7	2,522
16-24	14.8	253	3.0	222	27.8	475
25-34	12.4	279	11.5	259	23.9	538
35-44	10.1	234	7.5	173	17.6	407
45-54	8.8	151	6.8	116	15.6	267
55-64	14.6	179	9.3	114	23.9	294
65 and over	20.8	388	8.3	154	29.0	542
Men 16 and over	9.1	967	8.4	891	17.5	1,858
16-24	11.8	205	12.6	219	24.3	425
25-34	9.0	208	10.3	237	19.3	445
35-44	8.0	185	8.1	186	16.1	371
45-54	8.9	149	4.7	78	13.6	227
55-64	9.3	111	8.3	99	17.6	210
65 and over	7.8	110	5.1	71	12.9	181

Note:
* Age as of December 31, 1994.

Source:
Survey of Labour and Income Dynamics, public use microdata.

Figure 1: Rate of Total Poverty* 1993-94, by Sex and Age



Note:
Below the LICO in at least one year.

The exceptional difference in the poverty rate of elderly women and men that results from these factors is well documented (Gunderson et al. 1990; National Council of Welfare 1990; Ross et al. 1994). As seen in Table 3 and in Figure 1, the difference in the total poverty rate of senior women and men is the most notable of any age group. Twenty-nine percent of senior women experienced at least one year of poverty between 1993 and 1994, compared with 12.9 percent of senior men.

Considering the proportion of the population who were poor in both 1993 and 1994, we see a much higher percentage of women than men who were persistently poor (13.4 and 9.1 percent respectively). In actual numbers, this represented 1,483,000 women and 967,000 men—a difference of 516,000.

The persistent poverty rate drops significantly in relation to age, falling steadily from 14.8 percent among women 16 to 24, to 8.8 percent among those 45 to 54 years. (See Figure 1.) However, the rate of persistent poverty increases quite dramatically among women aged 55 to 64, and skyrockets among women aged 65 and over (20.8 percent).

As with women, the incidence of persistent poverty among men declines in relation to age, from 11.8 percent among those 16 to 24 years, to 8.0 percent among those 35 to 44 years. And similar to the pattern among women, the rate increases again for those men approaching their senior years.

But the patterns of persistent poverty between women and men differ in a number of important ways. First, the increases in incidence by age group are far more substantial among women. Consider that the lowest incidence among women is 8.8 percent among those aged 45 to 54, and the highest is 20.8 percent (among elderly women). This is a range of 12 percentage points. For men, the range between the highest and lowest rate is only 3.8 percentage points. Second, the differences between men and women *within* age groups are substantial, particularly for elderly women and men (20.8 percent vs. 7.8 percent). In fact, the incidence of persistent poverty among elderly men is the *lowest* of any age group. Among elderly women, it is the *highest* of any age group. Finally, one can observe that the differences in incidence between women and men are lowest for those aged 45 to 54 (in fact, there is virtually no difference: 8.8 percent vs. 8.9 percent), and widest in senior years and pre-senior years.

Relative to men, women's chances of persistent poverty are somewhat greater among youth, but narrow through the years which constitute family formation, childbearing and high labour force participation. Relative to men, women's chances of persistent poverty appear to become much greater as senior years approach, the period when labour force participation falls, when significant changes in family composition occur (e.g., death of spouse) and when income becomes highly dependent on government income security programs.

Table 3 also shows that of all persons experiencing poverty over the two-year period, women were more likely to be persistent poor, and less likely to be transitional poor. Of all women who experienced at least one year of poverty over 1993-94 (N = 2,522,000), 41 percent were

transitional poor. But of all men who experienced an episode of poverty (N = 1,858,000), 48 percent were transitional poor.

Family Type

As a group, women have made gains toward economic independence and autonomy (Gunderson et al. 1990). Higher labour force participation rates, changing patterns of employment activity over the life course, educational attainment and increased individual earnings have contributed to their gains (Scott and Lochhead 1997). For example, the proportion of women aged 25 to 54 years who have *individual* annual earnings of at least $10,000 increased from 49.8 percent in 1981 to 59.7 percent in 1996, and the proportion of women with annual earnings of $25,000 or more increased, from 27.4 to 33.3 percent. Nonetheless, women are still overrepresented at the bottom of the earnings distribution. The majority of women aged 25 to 54 earn less than $20,000 per year (57.9 percent) while this is the case for a far smaller share of men (32.0 percent). Overall, many women remain dependent on the earnings and income of other family members for their economic security. A clear illustration of this is shown in Table 4, which ranks economic family types according to their poverty rate.

Table 4: Poverty Rates Among Families, by Type 1996

Group	Family/Household Type*	Poverty Rate (%)	% of Total Poor Families	
1.	Two-parent family with three or more earners	3.4		0.7
	Married/common-law couple, no children, two earners	4.0		1.9
	Two-parent family with two earners	6.6		4.4
2.	Elderly married/common-law couple	7.9		2.6
	Married/common-law couple, no children, one earner	12.8		2.0
	Two-parent family with one earner	25.0		5.3
3.	Male lone-parent family	31.3		1.1
	Elderly unattached men	33.3		3.7
	Non-elderly unattached men	34.0		20.1
4.	Non-elderly unattached women	41.7	17.2	
	Female lone-parent family, one earner	45.4	5.4	45.8
	Elderly unattached women	53.4	15.8	
	Female lone-parent family, no earners	96.9	7.4	

Note:

* This typology is based on Statistics Canada definitions as outlined in Income Distributions by Size in Canada, 1996.

Table 4 categorizes 13 selected family/household types into four main groups. The families that comprise the group with the lowest poverty rates are commonly characterized by the presence of multiple earners. The second lowest group has marital status in common, that

is, it includes married or common-law couples. In fact, the two groups of families with the lowest poverty rates are all married or common-law couples. The families/households with the highest poverty rates are also divided into two groups. Groups 3 and 4 are similar in that they are all single-adult households, being either lone-parent families or unattached individuals. However, what clearly distinguishes groups 3 and 4 is gender. The four household types with the highest poverty rates (group 4) are all headed by lone-adult females. Together, they make up nearly one half of poor households in Canada.

The rank order of these selected family types is clearly a function of both multiple earners (made possible by the presence of two potential adult earners) and gender, where single-adult households are distinguished on the basis of sex. In this sense, family type remains an important factor in the economic security of both sexes, but is especially critical in the case of women.

A longitudinal analysis enables us to look at poverty over a longer period and to determine whether women in certain kinds of families are more or less likely to be poor over a two-year period. For example, we know that single-year poverty rates are much higher among women in lone-parent families than among women in other family types. But are women in lone-parent families also more likely to be persistently poor, that is, poor for two consecutive years?

In Table 5, the two-year poverty profile of women and men is shown according to the family structure they had at the end of 1992 (December 31). Women in lone-parent families and those living as unattached individuals are much more likely, than women in married or common-law relationships, to have been persistently poor. One third of women who began 1993 as lone parents were poor in both 1993 and 1994, while this was the case for a similar proportion of women who began 1993 as unattached individuals. In contrast, only five percent of women who began 1993 in a married or common-law family without children were poor in both 1993 and 1994, while this was the case for a similarly low proportion (seven percent) of married women with children.

Men in single-adult households (lone parents or unattached singles) were also more vulnerable to persistent poverty than married men, underscoring the fact that the presence of two or more earners is a key protective factor against poverty for both sexes. However, it is also evident that women in single-earner households are more vulnerable to poverty than men. The rate of persistent poverty among unattached women is 33.6 percent, compared with 23.8 percent among unattached men. Similar differences are found between female and male lone parents.

It should be noted that the overall difference in the rate of persistent poverty found between unattached women and men is closely related to variations by age. As Figure 2 shows, the rate of persistent poverty varies considerably between younger women and men, and again between elderly women and elderly men. This may suggest that women in single-adult households are most vulnerable to persistent poverty at stages in their lives when they have yet to enter, or have exited from, the labour market. The large discrepancy

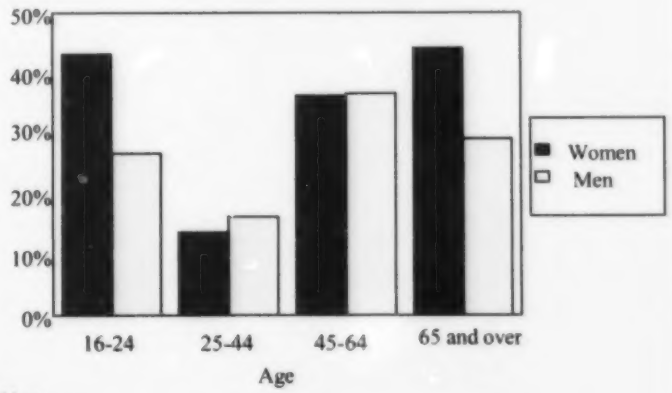
between elderly women and men is particularly important since there are relatively large numbers of elderly unattached women compared to men.

Table 5: Two-Year Poverty Profile 1993-94, by Sex and Family Type at End of 1992

Family Type	Poverty Status Over 1993 and 1994					
	Persistent Poor (Below LICO in both years)		Transitional Poor (Below LICO in one year only)		Total Poor (Below LICO in at least one year)	
	%	# (000s)	%	# (000s)	%	# (000s)
Women 16 and over	13.4	1,483	9.4	1,039	22.7	2,522
Unattached individuals	33.6	611	11.1	202	44.7	814
Couple, no children	4.6	114	7.4	182	12.0	296
Couple, with children	7.3	321	8.6	378	15.9	700
Lone parent	33.9	283	14.1	119	48.0	403
Other	9.6	148	10.3	157	19.9	305
Men 16 and over	9.1	967	8.4	891	17.5	1,858
Unattached individuals	23.8	325	12.0	164	35.7	489
Couple, no children	4.5	115	5.5	139	10.0	254
Couple, with children	7.1	335	8.1	382	15.2	717
Lone parent	19.3	85	12.2	54	31.5	139
Other	7.0	106	10.0	152	17.0	258

Source:
Survey of Labour and Income Dynamics, public use microdata.

Figure 2: Rate of Persistent Poverty* 1993-94
Unattached Individuals, by Sex and Age



Note:
* Below the LICO in 1993 and 1994.

Women's experience with poverty is closely related to their family and living arrangements. Over the two-year period covering 1993 and 1994, nearly one half of lone mothers and single unattached females experienced poverty. Not only is their likelihood of poverty greater relative to women in other family types, but they are also at far greater risk of persistent poverty. Of all unattached women who experienced poverty over the two-year period, three quarters (75.1 percent) were poor in both years. Similarly, of all women in lone-parent families who experienced poverty, 70.5 percent were poor in both years. By contrast, women in married or common-law families were much less likely to experience poverty, and among those who did, a much smaller proportion experienced two consecutive years of poverty.

Visible Minority Status

The incidence of poverty among women and men also varies in relation to visible minority status.[10] As Table 6 shows, women in a visible minority are more likely than other women to have experienced at least one year of poverty between 1993 and 1994 (30.1 percent compared with 22.0 percent). An even more striking difference appears in the rate of persistent poverty. Almost one in four women in a visible minority (23.0 percent) were poor in both 1993 and 1994, compared with 12.6 percent of women not in a visible minority.

Table 6: Two-Year Poverty Profile 1993-94, by Sex and Membership in a Visible Minority

Sex and Visible Minority Status	Poverty Status Over 1993 and 1994					
	Persistent Poor (Below LICO in both years)		Transitional Poor (Below LICO in one year only)		Total Poor (Below LICO in at least one year)	
	%	# (000s)	%	# (000s)	%	# (000s)
Women 16 and over	13.4	1,483	9.4	1,039	22.7	2,522
Visible minority	23.0	188	7.1	58	30.1	245
Not visible minority	12.6	1,281	9.5	965	22.0	2,246
Women 16 to 64	11.9	1,095	9.6	885	21.5	1,980
Visible minority	22.7	166	6.4	47	29.1	213
Not visible minority	10.9	917	9.8	822	20.7	1,739
Men 16 and over	9.1	967	8.4	891	17.5	1,858
Visible minority	22.4	168	8.5	64	30.9	231
Not visible minority	8.1	785	8.3	807	16.4	1,593
Men 16 to 64	9.3	857	8.9	820	18.2	1,677
Visible minority	22.1	154	9.0	63	31.0	217
Not visible minority	8.2	689	8.8	740	17.0	1,430

Source:
Survey of Labour and Income Dynamics, public use microdata.

Among men, those in a visible minority are also at higher risk of poverty relative to those not in a visible minority. In fact, the difference in poverty rates among men is even larger than the difference among women.[11]

The higher rate of poverty associated with membership in a visible minority is the result of many demographic and socio-economic factors, including the age distribution of the population, education levels, unemployment rates, urban/rural location,[12] labour force participation, occupational segregation and racial discrimination. Previous studies have confirmed, for instance, that visible minority women are more likely to be employed in low-wage, precarious employment (CLC 1997). While it is beyond the scope of this report to examine the extent to which these factors account for differences between and within the visible minority and non-visible minority populations, there is a recognition, formalized with the passage of the *Employment Equity Act* in 1986, that women in a visible minority tend to face disadvantage by virtue of their membership in this group (CACWS 1994; Christofides and Swidinsky 1994; Gunderson et al. 1990).

One factor closely related to visible minority status is immigration. The 1996 Census indicates that the majority of the visible minority population (68 percent) were immigrants, while 29 percent were born in Canada. The remaining three percent were non-permanent residents (Statistics Canada 1998). As Figure 3 shows, the differences in the rate of persistent poverty found between the visible minority and non-visible minority populations are much greater among those who are also immigrants. Other research has found that immigrants from countries that are dissimilar to Canada in terms of language and institutions may have more difficulty with economic assimilation and earnings growth after arrival (Green 1995). In addition, immigration policy has also been identified as another factor behind high rates of low income among members of visible minorities, specifically the regulations regarding participation in paid work and programs that facilitate the entry of low-wage workers in agriculture and domestic labour, to name two examples.

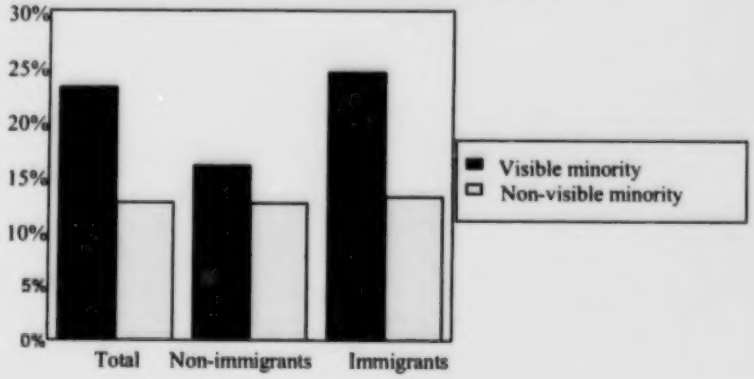
Disability Status

Women with disabilities face economic disadvantage in a number of respects. In her comprehensive economic portrait of disability in Canada, Gail Fawcett (1996: 151) states that "compared to their male counterparts, women with disabilities have lower rates of participation in the labour force, higher rates of unemployment when they are in the labour force, lower employment earnings, less access to the more generous income support programs, and higher rates of poverty overall."

The data in Figure 4 show that among persons with disabilities,[13] women are more likely than men to have been persistently poor in 1993 and 1994.[14] More than one quarter (26.7 percent) of women who reported having an activity limitation (in 1993, 1994 or in both years), were persistently poor, compared with 16.2 percent of men with an activity limitation. In addition, a very large proportion of women with disabilities (37.5 percent) was poor in at least one out of the two years (data not shown in Figure 4).

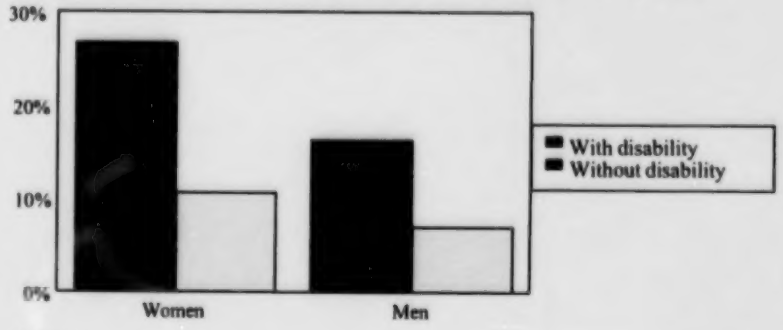
These findings are presented for women over age 16 years and have not been broken down by age. While it is true that women over age 65 years have a higher incidence of disability than do younger women, both groups experience similarly high levels of poverty, albeit for different reasons. Older women tend to have high disability-related costs and low fixed incomes, reflecting, in part, their lack of access to employment-related seniors' benefits.

Figure 3: Rate of Persistent Poverty* 1993-94
Women Aged 16 and over, by Visible Minority Status and Immigration Status



Note:
* Below the LICO in 1993 and 1994.
Source:
Survey of Labour and Income Dynamics, public use microdata.

Figure 4: Rate of Persistent Poverty,* 1993-94
Women and Men Aged 16 and over, by Disability Status



Note:
* Below the LICO in 1993 and 1994.

Younger women with disabilities face abysmal prospects in the labour market and consequently have very high rates of unemployment and underemployment, and higher rates of reliance on programs such as social assistance (Fawcett 1996).

Educational Attainment

The protective impact of higher education against poverty and unemployment is well documented, as is the relatively high level of economic vulnerability and insecurity associated with low levels of formal education or credentials (Ross et al. 1994). Despite the improved economic security associated with higher educational attainment and skills acquisition, a growing proportion of the low-income population in Canada has some form of post-secondary education. In part, this is because the educational composition of the overall population is shifting toward higher education. A more highly educated poor population simply reflects the trend toward a more highly educated population in general (Lochhead 1995). But part of the increase in the number of "educated poor" is also due to an increase in the rate of poverty *among those with post-secondary education*. In short, post-secondary educational credentials continue to offer "protection" against economic insecurity, but the guarantee is increasingly limited.[15]

Not surprising, the protective function of higher education is evident in the two-year poverty profile of women and men (Table 7). One in three women who did not graduate from high school experienced at least one year of poverty between 1993 and 1994. In contrast, 13.7 percent of women with a post-secondary education experienced at least one year of poverty. (The total poverty rates are roughly similar when looking at women over age 25 years, in effect factoring out the student population.) Moreover, the proportion of women who are poor for two consecutive years is greatly reduced among those having post-secondary education (7.2 percent).[16]

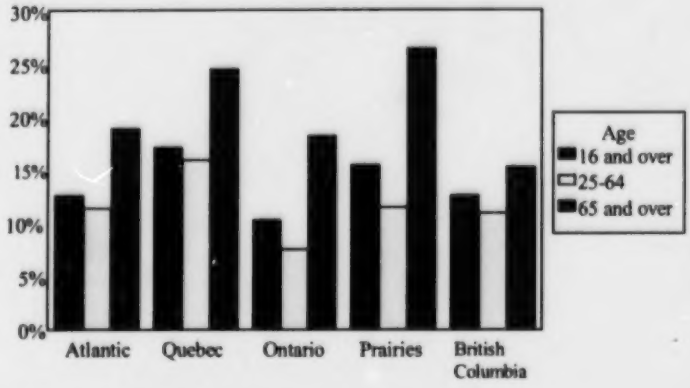
Table 7: Two-Year Poverty Profile 1993-94, by Sex and Education Level

Sex and Educational Level*	Poverty Status Over 1993 and 1994	
	Persistent Poor (Below LICO in both years) (%)	Total Poor (Below LICO in at least one year) (%)
Women 16 and over		
Less than high school graduate	21.4	33.3
High school graduate	12.5	22.7
Post-secondary	7.2	13.7
Men 16 and over		
Less than high school graduate	13.4	23.3
High school graduate	8.2	16.9
Post-secondary	5.8	12.7

Note:
* As of December 31, 1992.

Source:
Survey of Labour and Income Dynamics, public use microdata.

Figure 5: Rate of Persistent Poverty* 1993-94
Women by Region



Notes:
Below the LICO in 1993 and 1994.
The data for women aged 16-24 years are too small to report.

Region

There are significant variations in the rate of persistent poverty among women according to region. Quebec stands out with exceptionally high rates and Ontario with rates well below the national average. As shown in Figure 5, 16.0 percent of Quebec women between the ages of 25 and 64 were poor for two consecutive years, compared with only 7.6 percent in Ontario. In the Atlantic and Prairie Provinces, as well as in British Columbia, the rates of persistent poverty among women are close to the national average. Among women aged 65 and over, however, the rate of persistent poverty is highest in the Prairie Provinces (26.4 percent) and lowest in British Columbia (15.3 percent).

Conclusion

The preceding two-year profile of poverty among women in Canada has presented the rate of persistent poverty (poor for two consecutive years) and total poverty (poor for at least one year), comparing differences between women and men, and among women themselves. The profile has shown generally higher rates of poverty among women compared with men, but has documented considerable variation among women themselves on the basis of age, family type, education, visible minority status and region. The two-year perspective on poverty has also shown that a very large proportion of women aged 16 and over (22.7 percent) experienced at least one year of low income between 1993 and 1994. Moreover, about 60 percent of these women were poor for both years. In the following section, the report focusses on those who are "transitional poor," looking at factors that influence entry into and exit out of poverty.

4. EXITING AND ENTERING POVERTY

New sources of data are beginning to yield important research on the dynamic nature of poverty in Canada (Finnie 1997; Laroche 1998; Noreau et al. 1997; Drolet and Morissette 1999). Nonetheless, much remains to be known about the characteristics of those moving into and out of poverty—the factors associated with successful "exits" from poverty and those associated with the risk of falling into poverty. In this section, flows into and out of poverty are examined by comparing rates of entry and exit between men and women by age and family type. Our data show that the type of family that women live in is critically important in explaining their movement into and out of poverty. In turn, we find that changing family composition—the addition or loss of a family member, specifically an income earner—is clearly linked to the dynamics of poverty among women.

Age and Family Type

What are the rates of poverty entry and exit for men and women over our study period? Table 8 presents the rates of entry and exit from poverty between 1993 and 1994.[17] The table shows that men are more likely than women to exit from poverty (25.6 percent compared with 21.2 percent),[18] but that the estimated number of women leaving poverty between 1993 and 1994 was greater than the number of men leaving poverty. This is, of course, due to the fact that there were considerably more poor women than poor men in 1993.

Table 8: Rates of Poverty Entry and Exit, Women and Men by Age

Sex and Age	Exit: 1993 Poor Who Moved Out of Poverty in 1994		Entry: 1993 Non-Poor Who Moved in to Poverty in 1994		Net Change in Number of Poor
	%	# (000s)	%	# (000s)	# (000s)
Women 16 and over	21.2	399	6.9	640	+241
16-24	19.8	62	11.5	160	+98
25-34	31.8	130	7.0	129	-1
35-44	23.1	70	5.1	103	+33
45-54	17.3	31	5.5	84	+53
55-64	16.8	36	7.7	78	+42
65 and over	15.1	69	6.1	86	+17
Men 16 and over	25.6	333	6.0	558	+225
16-24	28.1	80	9.5	139	+59
25-34	33.4	104	6.7	133	+29
35-44	29.5	77	5.3	109	+32
45-54	13.7	24	3.6	54	+30
55-64	na	na	7.4	79	+58
65 and over	19.4	27	3.5	44	+17

Note:
na Sample size insufficient to provide reliable estimate.

Source:
Survey of Labour and Income Dynamics, public use microdata.

Among all age groups under 45 years, women are less likely than men to exit a low-income situation. This is particularly evident among adults aged 16 to 24 (19.8 percent of poor women and 28.1 percent of poor men exited poverty between 1993 and 1994). Women aged 65 and over are also less likely than men to exit poverty. Among both women and men, the likelihood of exiting poverty is highest among those between the ages of 25 and 44.

Looking at rates of entry into poverty, that is, the proportion of non-poor in 1993 who became poor in 1994, Table 8 shows that women aged 16 to 24 combine a low rate of poverty exit with a high rate of poverty entry. This pattern suggests that, at least in the short term, younger women are in an extremely vulnerable situation, with a higher-than-average chance of falling into poverty, and a lower-than-average chance of moving out.

Rates of poverty exit and entry also vary by family type. Table 9 shows that the likelihood of moving out of poverty is substantially lower among women in lone-parent families (16.8 percent) and among elderly women living as unattached individuals (12.1 percent), than it is for women in married or common-law couple families (about 29 percent). Women in lone-parent families and those living as unattached individuals are also more likely to enter poverty. For example, of all women in non-poor, lone-parent families in 1993, 12.3 percent (one in eight) moved into poverty in 1994. Conversely, among all women in non-poor couples without children, only 5.9 percent (one in 17) moved into poverty in 1994.

The final column in Table 9 shows the net change in the number of poor women given the various rates of entry and exit. Overall, 399,000 women exited poverty and 640,000 entered, for a net increase of 241,000. It is worth noting that although women in couple families have much lower rates of entry and much higher rates of exit, they actually made up 86 percent of the net increase in the number of poor women (+207,000). Women in lone-parent families had just as many exits as entries and, consequently, contributed little to the increase in the number of poor women (+4,000 women).

Table 9: Rates of Poverty Entry and Exit, Women Aged 16 and Over by Family Type

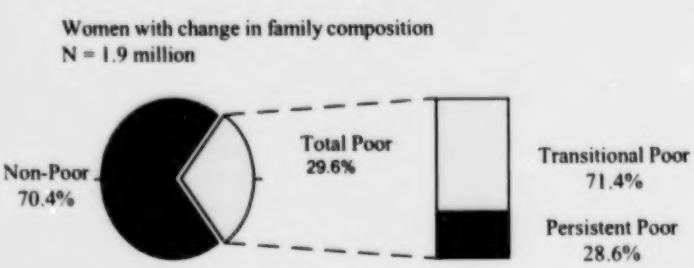
Family Type at the Start of 1993	Exit: 1993 Poor Who Moved Out of Poverty in 1994		Entry: 1993 Non-Poor Who Moved in to Poverty in 1994		Net Change in Number of Poor
	%	# (000s)	%	# (000s)	# (000s)
Women 16 and over	21.2	399	6.9	640	+241
Unattached individuals	15.9	115	7.9	87	-29
Under 65	19.9	70	7.6	55	-15
Age 65 and over	12.1	46	8.5	32	-14
Couples, no children	28.3	45	5.9	137	+91
Couples, with children	29.0	131	6.3	247	+116
Lone parents	16.8	57	12.3	61	+4
Other	25.0	49	8.1	108	+59

Source:
Survey of Labour and Income Dynamics, public use microdata.

Changes in Family Composition

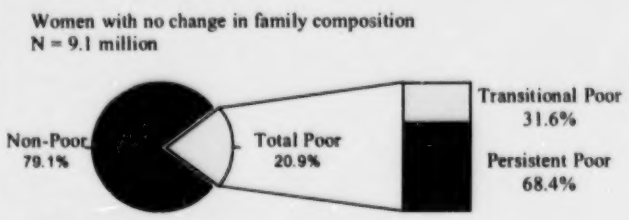
The rates of poverty exit and entry shown in Table 9 do not control for changes in family structure or composition that may have occurred during 1993 and 1994. Changes in family structure, however, are critical to understanding women's poverty, as they influence poverty dynamics in several ways. First, a change in the number of family members will alter the poverty line itself, since Statistics Canada's LICOs—our chosen measure of poverty—are adjusted for family size (reflecting costs of living associated with the provision of basic necessities). Therefore, a family that increases its size can "move" from non-poor to poor without necessarily experiencing a decline in its income.[19] Second, changes in family composition can also result in additional income recipients, as in the case of a lone mother who marries an employed male, or the loss of an income recipient, as in the case of a woman who divorces or is widowed.

Figure 6a: Incidence of Poverty Among Women Whose Family Composition Changed Between 1993 and 1994



The importance of family dynamics in relation to these rates is graphically illustrated in the following analysis. We see from figures 6a and 6b that changes in the composition of women's families are predictably related to their experience of poverty. Imagine that the pies in figures 6a and 6b represent two large meeting rooms, each with 100 women. In the first room (represented by the pie in Figure 6a), the women could all relate stories about how the composition of their families had changed over the last two years. Some had married or started a common-law relationship, others had borne a child or separated from a marital relationship. Some had experienced the death of a spouse, while others had children who had moved away from home. These stories are not uncommon: from 1993 to 1994, about one in six adult women (17.4 percent) experienced this type of family change. In the second room (represented by the pie in Figure 6b) are 100 women who did not have any change in the composition of their families. Their family lives have obviously changed in other ways (e.g., children entering school, taking on paid employment, altering the division of labour in the household, etc.) but the individuals that made up their families remained constant.

Figure 6b: Incidence of Poverty Among Women Whose Family Composition Did Not Change Between 1993 and 1994

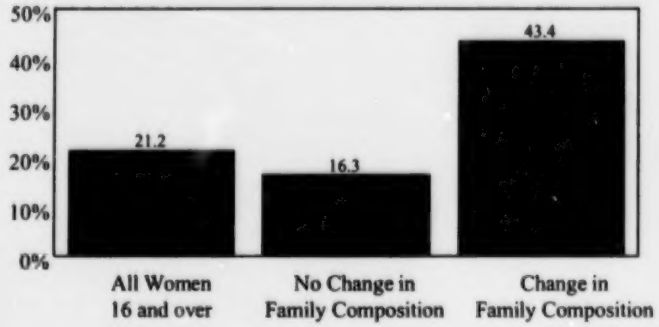


Notes:
Total poor refers to women poor in at least one year. Transitional poor refers to women poor in one year only.
Persistent poor refers to women poor in both 1993 and 1994.

Source:
Survey of Labour and Income Dynamics, public use microdata.

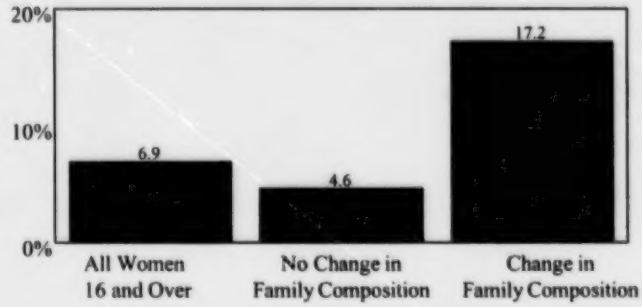
In the first room, 30 of the 100 women experienced low income in at least one of the last two years. But of these, only a minority (29 percent) was poor in *both* years. Most of these poor women were "transitional" poor, having either entered poverty or exited from a low-income situation. In the second room, a smaller, but still significant, number of the women (21 percent) also experienced poverty, but of these women, a majority (68 percent) was persistently poor over the two years.

Figure 7: Rate of Poverty Exit* Among Women, by Change in Family Composition, 1993-94



Note:
* Percent of poor in 1993 who moved above the poverty line in 1994.

Figure 8: Rate of Poverty Entry* Among Women, by Change in Family Composition, 1993-94



Note:
* Percent of non-poor in 1993 who moved below the poverty line in 1994.

Thus, women whose families had changed were more likely to have been poor, but their poverty was largely transitional. By contrast, women who experienced no change in their family situation were less likely to be poor, but of the one in five who were, they were much more likely to be poor over the two years of study than those who experienced change in their family status.

What remains to be known is the nature of this relationship. Is the direction of the poverty transition (i.e., entry or exit) associated with particular kinds of family dynamics? We see from figures 7 and 8 that of all poor women in 1993, 21.2 percent exited poverty in 1994 (Figure 7). For those whose family composition remained unchanged over the period, only 16.3 percent exited poverty, but among those whose family composition did change, exit rates were substantially higher (43.4 percent).

A similar impact is evident with respect to rates of poverty entry. Those women without a change in family composition were far less likely to have entered poverty than those with a change in family composition (4.6 percent compared with 17.2 percent), consistent with our findings above.[20]

Changes in family composition, then, are clearly related to variations in the rates of poverty exit and entry. But what is the nature of this relation? Is the direction of the poverty transition (i.e., exit or entry) associated with particular kinds of family dynamics? To answer this question, Table 10 presents the rates of poverty exit among women and men who experienced various kinds of change in family structure between the start of 1993 and the end of 1994.[21]

Table 10 compares the rate of poverty exit between poor women living as unattached individuals at the beginning of 1993, who remained as unattached individuals through to the end of 1994, with poor women who began 1993 as unattached individuals, but ended 1994 as part of a married or common-law couple (with or without children). Among those

who remained "unattached" over the two-year period, 11 percent exited poverty in 1994.[22] In comparison, the poverty exit rate of those who ended 1994 as part of a couple was more than five times greater, at 59 percent. A similar finding is evident with respect to poor lone parents. Those who remained lone parents over the two-year period had an exit rate of 8.2 percent, while those who ended 1994 as part of a married or common-law couple had an exit rate eight times greater, with 65 percent exiting poverty.

Table 10: Rates of Poverty Exit, by Change in Family Structure, Selected Examples, 1993-94

Sex	Family Structure		Number Poor in 1993 (000s)	Rate of Exit (%)
	Start of 1993[1]	End of 1994[1]		
Women	Unattached single	Unattached single	636	11.0
	Unattached single	Couple with or without children	43	59.0*
Men	Unattached single	Unattached single	360	16.8
	Unattached single	Couple with or without children	32*	na
Women	Lone parent	Lone parent	221	8.2
	Lone parent	Couple with children	29	65.2*

Notes:
[1] Family structure as of December 31, 1992 and December 31, 1994. To "capture" those individuals whose family structure remained the same over the entire period, family structure must have been consistent at the start and end points, as well as on December 31, 1993.
* High sampling variability is associated with this estimate; users are advised to exercise caution.
na Sample size insufficient to provide reliable estimate.

Source:
Survey of Labour and Income Dynamics, public use microdata.

Family dynamics also affect rates of *entry* into poverty. Table 11 presents the rate of poverty entry among non-poor women who were part of a couple without children at the beginning of 1993, and who remained so through to the end of 1994. A comparison is made to non-poor women who also began 1993 as couples without children, but ended 1994 living as an unattached individual. Among those whose family structure remained that of a couple without children over the two-year period, 3.4 percent entered poverty in 1994. In comparison, the poverty entry rate was more than 10 times that among women who started as part of a couple but ended 1994 as an unattached single (39.8 percent entry rate). A similar finding is evident with respect to women whose family structure changed from that of a couple with children to a lone-parent family.

Conclusion

Our analysis shows that, among both women and men, particular types of family dynamics affect the likelihood and direction of a poverty transition. Among the poor population, those moving from single-adult families or households into two-adult families are much more likely

to exit poverty, while those whose family structure moves in the opposite direction (i.e., from two-adult to single-adult families/households) are, not surprisingly, at considerably more risk of entry into poverty. The nature of this relation speaks to the importance of multiple earners in the effort of households to make ends meet. The addition or loss of potential income earners is particularly significant for women, influencing the likelihood of their entry or exit from poverty.[23]

Table 11: Rates of Poverty Entry, by Change in Family Structure, Selected Examples 1993-94

Sex	Family Structure		Number Non-Poor in 1993 (000s)	Rate of Entry (%)
	Start of 1993[1]	End of 1994[1]		
Women	Couple without children	Couple without children	1,898	3.4
	Couple without children	Unattached single	123	39.8
Men	Couple without children	Couple without children	2,003	3.6
	Couple without children	Unattached single	94	na
Women	Couple with children	Couple with children	3,078	3.3
	Couple with children	Unattached single	95	55.3
	Couple with children	Lone parent	111	26.1*
Men	Couple with children	Couple with children	3,284	3.4
	Couple with children	Unattached single	161	38.0
	Couple with children	Lone parent	66	na

Notes:
[1] Family structure as measured as of December 31, 1992 and December 31, 1994. To "capture" those individuals whose family structure remained the same over the entire period, family structure must have been consistent at the start and end points, as well as on December 31, 1993.
* High sampling variability is associated with this estimate; users are advised to exercise caution.
na Sample size insufficient to provide reliable estimate.

Source:
Survey of Labour and Income Dynamics, public use microdata.

There are, of course, other issues that affect women's dynamics of poverty. The loss of employment income, a decline of hours of paid employment, or a decline in transfer income are other key factors that can precipitate a fall into poverty.[24] However, the relative importance of changing family composition—the central focus of this discussion—cannot be underestimated, especially when looking at women's poverty. As the next chapter shows, not only are women's economic fortunes linked to the addition or losses of potential income earners, they are similarly linked to changes in income of other family members. These findings, as we highlight in the conclusion, reinforce the critical importance and illusory character of women's economic independence.

5. MEASURING THE MOVE: POVERTY AND INCOME DYNAMICS

Over the two-year period covering 1993 and 1994, nearly one in four women in Canada experienced at least one year of poverty. Most of these women—roughly six out of ten—were poor for two consecutive years, while the remainder of the women were "transitional" poor, either exiting or entering a low-income situation. The previous chapters of this report examined and compared the characteristics of women and men who crossed the poverty line, as well as the extent to which different groups were vulnerable to persistent poverty. In this chapter, a slightly different tack is taken, with emphasis on changes in annual income associated with poverty dynamics. Specifically, the *magnitude* of income changes associated with exits from and entries to poverty are examined. Are transitions into and out of poverty the result of relatively minor changes in family income that "move" people across the poverty threshold, or are they the result of much larger income fluctuations from one year to the next? Even among those who remained poor for two consecutive years, there may be significant changes in annual income from year to year. Are the incomes of the persistently poor relatively stable, or is there considerable fluctuation in income that takes place below the low income cut-off? Do the persistently poor become more deeply impoverished over time?

The following analysis of income and poverty dynamics is organized around three main groups: the persistently poor, persons who exit poverty and persons who enter poverty. In each instance, gendered patterns of income and poverty dynamics are examined. The analysis also considers the extent to which women's movement across the poverty line results from changes in personal income as opposed to the income of other family members.

Persistently Poor

The label "persistent poor" conjures an image of stability. Individuals labelled as such are those whose incomes place them in "straitened economic circumstances"[25] for two consecutive years. As Table 12 shows, of non-elderly persons who were persistently poor, about one half had little change in their family income between 1993 and 1994 (i.e., an increase or decrease of less than $2,000). On the other hand, roughly one quarter of the persistently poor had a decline in their family income of $2,000 or more, and a similar proportion had an increase in their family income of $2,000 or more. A significant minority experienced even larger shifts in income, with 14 percent experiencing an increase in family income of $5,000 or more, and 15 percent having a drop in family income of $5,000 or more. Table 12 also reveals that there is little difference in the magnitude of income shifts among women and men who were persistently poor between 1993 and 1994.

The fact that one quarter of the persistently poor experienced an increase in family income of $2,000 or more—but were still poor—underscores the depth of poverty faced by many poor Canadians. In 1993, the average poverty gap for a non-elderly family was $7,990 (in 1996 dollars), and by 1996 this had increased to $8,732 (Statistics Canada 1997b). This explains why 14 percent of persistently poor individuals could have an increase in family income of $5,000 or more, but remain poor.

Table 12: Non-Elderly Individuals Living in Persistently Poor Families: Change in Family Income Between 1993 and 1994

Change in Family Income 1993-94	Persons Aged 16 to 64		
	Both Sexes (%)	Women (%)	Men (%)
Declined by $10,000 or more	5.2	4.7	5.7
Declined by $5,000 to $9,999	10.1	9.8	10.4
Declined by $2,000 to $4,999	10.6	10.4	10.9
Declined/increased by less than $2,000	46.2	46.9	45.2
Increased by $2,000 to $4,999	13.8	14.6	12.8
Increased by $5,000 to $9,999	10.9	10.3	11.6
Increased by $10,000 or more	3.3	3.2	3.5
Total	100.0	100.0	100.0

Source:
Survey of Labour and Income Dynamics, public use microdata.

Among persistently poor elderly individuals (Table 13), there is considerably more income stability from one year to the next. For example, 87 percent of persistently poor elderly women had annual family incomes that decreased or increased by less than $2,000 between 1993 and 1994. This is not surprising given the "fixed" income situation that pertains to most of the elderly retired population.

Table 13: Elderly Individuals Living in Persistently Poor Families: Change in Family Income Between 1993 and 1994

Change in Family Income 1993-94	Persons Aged 65 or Over		
	Both Sexes (%)	Women (%)	Men (%)
Declined by $5,000 or more	na	na	na
Declined by $2,000 to $ 4,999	7.1	6.4	na
Declined/Increased by less than $2,000	85.4	86.9	80.0
Increased by $2,000 to $4,999	6.0	na	na
Increased by $5,000 or more	na	na	na
Total	100.0	100.0	100.0

Note:
na Sample size insufficient to provide reliable estimate.

Source:
Survey of Labour and Income Dynamics, public use microdata.

Exiting Poverty

As discussed above, some of the poor who had increases in family income remained poor in the following year. In other words, the increase in annual income reduced the depth of their poverty, but was insufficient to raise them above the LICO. There are, however, a considerable number of individuals who experienced an increase in family income sufficient to move them above the poverty line.

The likelihood of escaping poverty is obviously a function of the size of the income gain, as well as the depth of poverty. Those with incomes just under the LICO would require only modest gains to "cross the line," while the deeply impoverished would require much greater income gains.

Table 14 shows poverty exit rates in relation to the size of the annual income gain between 1993 and 1994. Of all poor women in 1993, 10 percent of those who had an increase in family income of less than $5,000 escaped poverty. The other 90 percent with an increase of this amount remained poor. Of course, women experiencing larger increases in family income were more likely to escape poverty: 40 percent of those experiencing increases of $5,000 to $9,999 moved out of poverty as did 70 percent of those with increases of $10,000 or more.

It is hardly surprising that poverty exit rates depend on the size of the annual income increase. But the data in Table 14 do demonstrate the considerable challenges involved in reducing the number of women below the poverty line. For most poor women, annual family income must increase substantially—often by $10,000 or more—in order to leave the ranks of the impoverished.

Table 14: Persons in Poor Families in 1993: Rate of Exit Out of Poverty by Change in Family Income

Change in Family Income* 1993-94	Persons Aged 16 to 64		
	Both Sexes % exit	Women % exit	Men % exit
Increased by less than $5,000	12.2	10.2	15.0
Increased by $5,000 to $9,999	39.5	39.6	39.5
Increased by $10,000 or more	72.2	69.6	74.8

Note:
* Only individuals whose annual family income increased are included.

Source:
Survey of Labour and Income Dynamics, public use microdata.

There is considerable variation in the amount of change in family income experienced by people moving out of poverty. When women leave poverty, by how much does their family income increase? As Table 15 shows, among poor women who exited poverty,

about one in seven (14.1 percent) of non-elderly women had an increase in family income of less than $5,000. These are women whose poverty-level incomes in 1993 placed them relatively close to the LICO. With modest (but not necessarily insignificant) increases in annual family income, they made the transition from poor to non-poor status. About one-in-five women exiting poverty had an increase in family income of $5,000 to $9,999, and about one in four had an increase of $10,000 to $19,999. A sizable minority of women who left poverty did so with very large gains in family income. Indeed, 38 percent had gains in family income of $20,000 or more, and 23 percent had gains of $30,000 or more. These are tremendous increases in annual family income and, in most cases, represent a doubling of family income.

Table 15: Distribution of Persons Exiting Poverty, by Amount of Increase in Annual Family Income, Non-Elderly Women and Men 1993-94

Change in Family Income 1993-94	Persons Aged 16 to 64		
	Both Sexes (%)	Women (%)	Men (%)
Income did not increase	na	na	na
Increased by less than $5,000	14.9	14.1	15.8
Increased by $5,000 to $9,999	21.9	22.6	21.2
Increased by $10,000 to $19,999	26.6	24.5	28.9
Increased by $20,000 to $29,999	14.9	14.8	15.1
Increased by $30,000 or more	20.7	23.2	17.9
Total	100.0	100.0	100.0

Note:
na Sample size insufficient to provide reliable estimate.

Source:
Survey of Labour and Income Dynamics, public use microdata.

The change in family income experienced by women exiting poverty can result from personal income gains. For example, a woman re-entering the labour force after taking time out to raise young children, or a woman moving from part-time to full-time employment, will experience an increase in personal income. Alternately, increases in family income can also result from income gains experienced by other family members, here including the addition of new income earners. For example, a woman may exit poverty because her husband got a job after a long spell of unemployment, or because she married and became part of a dual-earner rather than single-earner household. Table 16 looks at how much of the increase in family income among women exiting poverty was due to a change in their own income, and how much was due to a change in the income of other family members.

As documented above, about one-in-seven women who exited poverty experienced gains in family income of less than $5,000. For these women, annual family income increased by an average of $2,810, while personal income increased by $1,730. In other words, the average increase in personal income represented about 62 percent of the average increase

in family income. Generally, the larger the increase in family income, the larger the average increase in women's personal income. For example, among women who exited poverty on the basis of a $20,000 or more increase in family income, women's personal income rose by $5,640. For these women, however, only 14 percent of the increase in family income was due to the increase in their own personal income, while the remainder was due to an increase in the incomes of other family members and/or the addition of new earners. Overall, women who exit poverty on the basis of large increases in family income contribute more to the increase in absolute dollars, but less in proportional terms.

Table 16: Persons Exiting Poverty: Average Increase in Family and Personal Income, Non-Elderly Women and Men 1993-94

Change in Family Income 1993-94	Women Aged 16 to 64		
	Average Increase in Family Income $	Average Increase in Personal Income $	% of Increase Due to Increase in Personal Income
Increased by less than $5,000	2,810	1,730	62
Increased by $5,000 to $9,999	7,300	4,720	65
Increased by $10,000 to $19,999	13,810	5,100	37
Increased by $20,000 or more	41,620	5,640	14
Change in Family Income 1993-94	**Men Aged 16 to 64**		
	Average Increase in Family Income $	Average Increase in Personal Income $	% of Family Increase Due to Increase in Personal Income
Increased by less than $5,000	3,150	1,670	53
Increased by $5,000 to $9,999	7,520	5,020	67
Increased by $10,000 to $19,999	14,720	10,690	73
Increased by $20,000 or more	38,780	14,160	37

Source:
Survey of Labour and Income Dynamics, public use microdata.

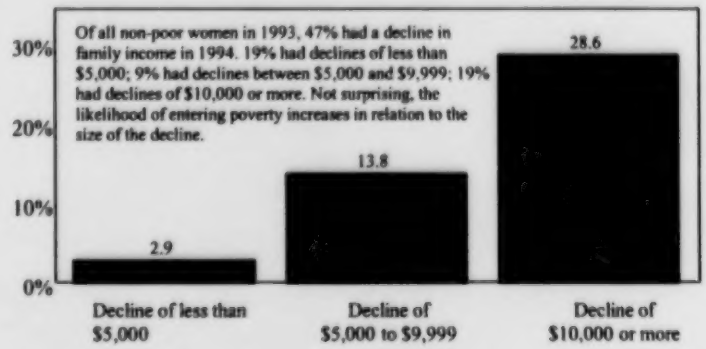
Entering Poverty

On a year-to-year basis, many Canadians will experience fluctuations in annual income. In a considerable number of cases, these fluctuations involve income losses. Between 1993 and 1994, 47 percent of Canadians between the ages of 16 and 64 had a decline in annual family income. The key question is how significant the decline is, and whether the income drop results in economic hardship. For the purposes of this paper, the concern is specifically with income declines that "move" people below the LICO.[26]

The likelihood of entering poverty is clearly a function of the size of the income loss a family may incur from one year to the next, as well as the "distance" to the poverty line. Those with incomes just above the LICO would require only modest declines to "cross

the line" while those with incomes well above the cut-offs would have to experience substantial losses to enter poverty.[27]

Figure 9: Rate of Poverty Entry* Among Women, by Change in Family Income 1993-94


Of all non-poor women in 1993, 47% had a decline in family income in 1994. 19% had declines of less than $5,000; 9% had declines between $5,000 and $9,999; 19% had declines of $10,000 or more. Not surprising, the likelihood of entering poverty increases in relation to the size of the decline.
30%
20%
10%
0%
2.9
13.8
28.6
Decline of less than $5,000
Decline of $5,000 to $9,999
Decline of $10,000 or more

Note:
* Percent of non-poor in 1993 who moved below the poverty line in 1994. Only those women whose family incomes declined between 1993 and 1994 are included.

In Figure 9, poverty entry rates are presented in relation to the size of the annual income decline between 1993 and 1994. Of all non-poor women in 1993, about one in five (19 percent) had a decline in annual family income of less than $5,000. Of these women, only 2.9 percent entered poverty. These were women whose income in 1993 was only slightly above the LICO, so a relatively small decline in income was sufficient to "move" them into poverty. Of course, most women with income declines of this magnitude remained non-poor. Not surprisingly, women who experienced more substantial declines in family income were more likely to become poor: 13.8 percent of those experiencing declines of $5,000 to $9,999 moved into poverty as did 28.6 percent of those with declines of $10,000 or more.[28]

Looking just at non-elderly women who entered poverty in 1994 (an estimated 555,000 women), Table 17 shows that only a small share of these women (eight percent) experienced a small decline in their family income (less than $5,000). Rather, the clear majority (nearly three quarters) did so on the basis of family income that had declined by $10,000 or more. Indeed, about one half of all women who entered poverty in 1994 experienced a decline in family income of $20,000 or more, and one quarter experienced a decline of $40,000 or more. These women might, more appropriately, be said to be "crashing" into poverty.

Table 17: Distribution of Persons Entering Poverty, by Amount of Decrease in Annual Family Income, Non-Elderly Women and Men 1993-94

Change in Annual Family Income 1993-94	Persons Aged 16 to 64		
	Both Sexes (%)	Women (%)	Men (%)
Income did not decrease	na	na	na
Decreased by less than $5,000	8.1	8.0	8.2
Decreased by $5,000 to $9,999	16.2	16.9	15.4
Decreased by $10,000 to $19,999	25.4	25.5	25.3
Decreased by $20,000 to $29,999	14.3	13.2	15.6
Decreased by $30,000 to $39,999	10.9	11.8	9.9
Decreased by $40,000 or more	24.2	23.8	24.7
Total	100.0	100.0	100.0

Note:
na Sample size insufficient to provide reliable estimate.

Source:
Survey of Labour and Income Dynamics, public use microdata.

Table 18 traces the family income losses of women entering poverty in 1994. Among the group who experienced a decline of less than $5,000, a large proportion of the decline was due to decreases in the personal income of the women themselves. In other words, women who were "near-poor" in one year, and who moved below the LICO the next year, were likely to do so because of a decline in their own income. Women who enter poverty on the basis of much larger decreases in family income, by contrast, also experienced declines in their personal income. But, the largest share of the decline in family income was attributable to income losses among other family members (through a decline or loss of wages and/or the loss of a wage earner).

Conclusion

In measuring the magnitude of income changes associated with poverty exits and entry, the preceding analysis suggests that, for the most part, poverty transitions are not based on small fluctuations in income. As shown above, poverty exit most often depends on substantial increases in family income. Of all poor women in 1993, for example, only 10 percent of those with an increase of less than $5,000 left poverty. Even among poor women whose family income increased by $5,000 to $10,000, the majority (60 percent) remained below the LICO.

Our analysis shows that the largest proportion of women who leave poverty do so on the basis of very large increases in family income. Indeed, 63 percent of women who left poverty between 1993 and 1994 had increases in family income of $10,000 or more. Moreover, the increases in family income that moved women above the poverty line were attributable to increases in personal income *and* the income of other family members. This finding underscores the importance of dual-earner families, and accounts for the very high

rates of persistent poverty encountered by women in single-adult households (i.e., lone parents and unattached individuals).

Table 18: Persons Entering Poverty: Average Decrease in Family and Personal Income, Non-Elderly Women and Men 1993-94

Change in Family Income 1993-94	Women Aged 16 to 64		
	Average Decrease in Family Income $	Average Decrease in Personal Income $	% of Family Decrease Due to Decrease in Personal Income
Decreased by less than $5,000	2,530	1,980	78
Decreased by $5,000 to $9,999	7,370	3,380	46
Decreased by $10,000 to $19,999	14,180	4,060	29
Decreased by $20,000 to $29,999	24,270	3,180	13
	Men Aged 16 to 64		
Change in Family Income 1993-94	Average Decrease in Family Income $	Average Decrease in Personal Income $	% of Family Decrease Due to Decrease in Personal Income
Decreased by less than $5,000	3,100	2,830	91
Decreased by $5,000 to $9,999	7,250	4,360	60
Decreased by $10,000 to $19,999	14,350	8,240	57
Decreased by $20,000 to $29,999	24,430	10,680	44

Source:
Survey of Labour and Income Dynamics, public use microdata.

Similarly, we have seen that entry into poverty is often accompanied by substantial declines in family income. There certainly are instances in which individuals who are just above the poverty line experience a small drop in income that moves them into poverty the next year. But in most cases (74 percent), a drop into poverty is accompanied by a $10,000 or more decline in family income. Again, women's economic fortunes appear to rest largely in the hands of other family members.

Given the size of year-over-year family income shifts required to "move" women from poor to non-poor—or from non-poor to poor—it would appear that access to market-based sources of income, such as employment earnings, are driving poverty and income dynamics. What, then, is the role of government transfers in reducing women's poverty? Given the depth of poverty and the income increases necessary to rise above the poverty line, what role can income security programs realistically play? Can transfer income be expected to compensate for market income losses, such that women (and Canadians more broadly) are prevented from falling into poverty? These questions are taken up in the following section, where the changes in transfer and market income are examined in relation to women's poverty and income dynamics.

6. MARKET INCOME, TRANSFER INCOME AND POVERTY DYNAMICS

For most Canadian households, private or "market" sources of income are the primary source of economic security. Comprised mainly of earnings through employment, but also including investment income, private pension benefits and other sources of income, such as severance pay and alimony, market income makes up 85 percent of the total income of Canadian households (Clark 1998). Income security programs, nevertheless, play many roles in the provision of economic security, providing protection against unforeseen contingencies that disrupt employment, giving support throughout various stages of the life course, or basic support to those who are unable (or prevented from) taking part in employment activity.

The prominence of income security programs in women's lives cannot be understated. In this century, until recently, a woman's economic security almost exclusively depended on her father's, and then husband's, access to waged employment and private wealth. Limited access to paid employment and concentration in poorly paid, insecure work among impoverished working classes ensured that economic independence and security was a privilege for only an elite few.

Early welfare state programs offered little respite or alternative, founded as they were on a model of family relations that enshrined a strict sexual division of labour between the sexes. Men were supposed to earn the market wage to provide for dependants; women were confined to the private domestic sphere, taking care of the personal needs of the family. This particular model of social reproduction, as numerous scholars have noted, never captured the lives of the working class or racial minorities. But, its impact on the formation of policy, promoted aggressively by public institutions and social reformers alike, had a profound effect on the development of modern welfare states. Women tended to be treated either as mothers or wives in the eyes of the state. (See Orloff 1993.)

The early Mothers' Allowance program was a clear example of how women were identified with the social function of mothering, rather than their individual capacity as citizens or workers. The notion of the family wage also structured women's access to benefits. Adequate wages in the form of a family wage for male industrial workers were recognized as critical to the viability of the social security system. Women were covered under provisions targeted to the "heads of households" and other subsidiary unemployment and pension benefits.

Today, women and men's roles, especially in the labour market, have been undergoing a major shift. As women have joined the labour force in larger numbers, their access to upper-tier income security programs and private benefits has improved. In 1961, roughly one third of women over the age of 15 years (30 percent) were active in the labour market. By 1994, the labour force participation rate of women had risen to 58 percent, an increase of almost 100 percent.[29] The significant increase of women in the paid labour market coupled with the proportional decline of male workers has changed the gender balance of

the labour force. Of the total labour force in 1961, 27 percent were women and 73 percent were men. In 1994, the percentage of women in the labour force had increased by 18 percentage points to 45 percent (Armstrong and Armstrong 1994: 16; Statistics Canada, Labour Force Historical Review, microdata file 1995).

Paradoxically, women's entry into the labour force occurred during a period of economic restructuring and growing insecurity. As a consequence, participation in the paid labour force has not been a complete success for women. As Isabelle Bakker (1988: 31) remarks, "women as a group have more work but it is often poorly paid, unprotected and part-time, because restructuring [through the 1980s and 1990s] has brought fewer 'good jobs' in its wake." In effect, economic restructuring is exacerbating existing cleavages in the labour market, in this case, gender cleavages leading to greater economic insecurity among workers trapped at the bottom of the labour market. As the economy generates more "women's work," many women find themselves locked into traditional industrial and occupational ghettos, overrepresented among the growing legions of insecure, poorly paid workers.

Against this backdrop, women's access to adequate income security programs remains important for their economic security, especially in light of high rates of family dissolution. New labour market opportunities have not offset the threat of poverty and economic insecurity posed by factors such as divorce and separation, and women's unique roles as mothers and caregivers. In fact, this threat is arguably larger today as the number of lone-parent families has grown over the last 30 years. In 1961, 11 percent of families with children were headed by one parent. By 1991, this had increased to 20 percent, the overwhelming majority of which are headed by women. The persistently high rate of poverty among lone-mother families with dependent children—56.0 percent in 1997—speaks to the barriers these factors play in limiting the economic opportunities of women (Statistics Canada 1999: 35). As stated, income security programs in Canada remain critical, albeit seriously flawed, supports for economically vulnerable women, including lone parents and their children, women with low levels of education, women with disabilities and displaced workers.

The following analysis examines the way in which market income and transfer income change in relation to the dynamics of women's poverty, and then focusses on two particular programs for working-age adults: social assistance and employment insurance. Specifically, we examine changes in the use and reliance on income transfer programs for different groups of the poor (the persistently poor, the transitional poor and the non-poor) and discuss the implications of gendered patterns of transfer usage.[30] We focus on social assistance and employment insurance to determine whether they have a significant role in lifting women out of poverty over time. Income programs for seniors obviously are fundamental for the economic security of older women. However, they do not help us understand the dynamic character of poverty—the focus of this analysis—because older individuals tend to have very static income situations.

Persistently Poor

As can be seen from Table 19, the shares of total family income received from market and transfer sources differ considerably across poverty status. Not surprisingly, individuals in families receiving a greater share of their income from market sources are less likely to be poor at any point in time than those receiving a relatively small share of their income from market sources.

Table 19: Non-Elderly Individuals: Composition of Total Family Income, by Poverty Status and Sex 1993-94

	Total Family Income in 1993: Share received from...		Total Family Income in 1994: Share received from...	
	Market Sources	Transfer Sources	Market Sources	Transfer Sources
Women aged 16 to 64				
Poor–poor	38	62	38	62
Poor–non-poor	62	38	82	18
Non-poor–poor	82	18	63	37
Non-poor–non-poor	93	7	93	7
Men aged 16 to 64				
Poor–poor	47	53	48	52
Poor–non-poor	66	34	83	17
Non-poor–poor	83	17	66	34
Non-poor–non-poor	93	7	93	7

Source:
Survey of Labour and Income Dynamics, public use microdata.

While deriving a significant share of income from market sources (from 38 to 48 percent), the persistently poor, however, are particularly dependent on transfers, and this is the case for women more so than for men. Non-elderly men and women who were in families that were persistently poor received most of their family income from transfers (62 percent for women and about 52 percent for men). On the whole, these proportions remained unchanged between 1993 and 1994.

The persistently poor tended to rely a great deal more on social assistance than on employment insurance, this no doubt reflecting the more persistent poverty status. Fifty-two percent of women who experienced two consecutive years of poverty lived in families receiving social assistance. As can be seen from Table 20, in 1993, these households received on average $10,483 which accounted for 68 percent of their total family income. By contrast, only 13 percent of families of persistently poor women received Employment Insurance, for an average of $5,781 per family, accounting for 34 percent of the total income of those families.

The same figures for persistently poor men show a lesser reliance than women on social assistance is 1993: 40 percent lived in families collecting social assistance, for an average

of $7,793, accounting for 62 percent of total family income. Reliance on Employment Insurance (EI) was greater than for women: 22 percent of these men's families relied on EI, for an average benefit of $6,812, accounting for 35 percent of total family income. On both counts, the persistently poor show a weaker tie to the labour market. But whereas women and their households were four times as likely to rely on social assistance than on Employment Insurance, the ratio for men was only two to one.[31] However, an important caveat is in order here. The greater dependence of the persistently poor on social assistance notwithstanding, it is important to point out that nearly half of all women living in persistently poor households—and 60 percent of men—derived *no income* from social assistance whatsoever. This finding which highlights the precarious situation of the working poor calls for further research.

Table 20: Profile of Family Income for Non-Elderly Individuals, by Poverty Status and Sex

Sex and Poverty Status	Family Income in 1993: Amount and Share Received from Social Assistance			Family Income in 1993: Amount and Share Received from Employment Insurance		
	% of Recipients	Average Amount ($)	Share of Total Income (%)	% of Recipients	Average Amount ($)	Share of Total Income (%)
Women aged 16 to 64						
Poor–poor	52	10,483	68	13	5,781	34
Poor–non-poor	26	7,184	46	27	5,246	32
Non-poor–poor	18	9,549	31	40	8,055	22
Non-poor–non-poor	5	6,333	16	32	5,682	10
Men aged 16 to 64						
Poor–poor	40	7,793	62	22	6,812	35
Poor–non-poor	22	6,261	41	19	4,913	24
Non-poor–poor	13	7,170	26	37	6,628	16
Non-poor–non-poor	6	5,982	13	34	6,334	11

Source:
Survey of Labour and Income Dynamics, public use microdata.

Exiting Poverty

Of all persons who exited poverty between 1993 and 1994, about two thirds of their total family income in 1993 was received from market sources, while about a third was received from transfers. Those who exited poverty in 1993 received a far larger share of family income from market sources than did those who remained poor (for women, 62 and 38 percent respectively). It appears that families that are "closer to the labour market" (i.e., receive a larger share of family income from market sources) are more likely to leave poverty than those "further away" from it.

Among women who exited poverty, the share of total family income derived from market sources increased from 62 to 82 percent. In absolute terms, this represented an increase in market income of $20,680 (from $9,430 to $30,110). Most of this increase (about 80 percent) was due to increases in the market income received by other family members, often as we have seen as a result of the addition of another adult in the family/household.

Entering Poverty

Of individuals who fell into poverty in 1994, just over 80 percent of their total family income in 1993 was received from market sources. Compared to individuals who were not poor in either 1993 or 1994, individuals who became poor in 1994 received a smaller share of their total family income from market sources the previous year (about 82 percent and 93 percent respectively). In other words, those who fell into poverty were more likely to have received a greater share of their family income from transfers, an indication that their level of family income was probably not all too far from the poverty line.

Of women in families that fell into poverty in 1994, the share of family income from market sources fell from 82 to 63 percent. In absolute terms, this represented an average decline in market income from $34,710 to $9,220—a drop of more than $25,000. Again, the vast majority of this decline (84 percent) was due to a decline in market income of other family members or the loss of an income earner.

Non-Poor

It is interesting to note that seven percent of the persistently non-poor household units (associated with women) still derived some social assistance—$6,333 on average—accounting for 16 percent of these household's total income. (The figures are a bit lower for men.) This suggests that some of the non-poor are, in all probability, living on the edge of poverty.

Likewise non-poor families, especially families in transition into poverty—were far more likely to derive income from Employment Insurance than families experiencing poverty. However, it is worth remembering that, for the minority of poor families that do draw from the EI program, the benefits represents a quarter to a third of all family income.

Conclusion

In sum, our findings show that women in poor families have a greater dependence on social assistance, both in terms of the percentage affected and the greater importance of the said assistance on their overall income. The National Council of Welfare documents every year in its annual report, *Welfare Incomes*, that the level of welfare income in all jurisdictions is well below the LICO. It is not surprising, therefore, to find that social assistance figures prominently as an income source for the persistently poor, and for those in families in transition into and out of poverty. Employment Insurance, as expected, supports more non-poor women and men.

Finally, it is worth pointing out that EI does not serve women as well as men both in terms of access to and the levels of benefits, a finding that reflects not only the wage levels of women, but also their continuing concentration in more precarious forms of employment. Even though women have increased their participation in the labour market, the precarious position of many underscores their need for adequate income supports. This is true for women in stable two-earner families, but particularly acute, as we have seen, for those solely responsible for their family's economic well-being.

7. CONCLUSION

Main Findings

An examination of the dynamics of poverty for 1993 and 1994 confirms that women are at a greater risk of poverty than men. For this period, nearly one in four women (22.7 percent) experienced at least one year of poverty compared to one in six men (17.5 percent). From this initial examination of the data, we also find that women are more likely to be persistently poor than men, that is, poor for the two study years. This finding, while valid for all age groups, was most pronounced for women over the age of 65 who displayed a rate of persistent poverty that was nearly three times greater than the rate for elderly men. As well, young women have a higher rate of persistent poverty than their male counterparts. Finally, while women generally displayed higher rates of transitional poverty than men, the overall difference is minimal for women and men under age 65.

Family structure plays a significant role in determining one's poverty status independent of one's gender: single-adult households fare poorly overall compared to two-adult households. However, the incidence of poverty among this group is greatest for women regardless of their age or status as a parent. While our research shows that single-adult households were also far more likely to be persistently poor than two-adult households, they are only slightly more likely to be transitionally poor than two-adult households.

It should come as no surprise that changes in family structure—specifically, the addition or subtraction of income earners—stands out as a factor in moving into or out of poverty. Women who experienced a change in family composition were about three times as likely to exit poverty and, conversely, nearly four times as likely to enter poverty, than women who had experienced no change in family composition. This is particularly true for unattached single women and for single mothers, who experienced rates of exit that were five to eight times greater than women whose family circumstances did not change. Family change had an even greater impact on the rates of entry into poverty for both women and men.

Among the other factors that have a significant impact on the poverty status, visible minority and immigration status also stand out. Women who are part of visible minority groups are about twice as likely to be persistently poor than other women, but interestingly, displayed a lower incidence of transitional poverty. Our analysis suggests that immigration status, recent immigration especially, is an important contributing factor to the prevalence of persistent poverty among women from visible minority groups.

Education continues to be associated with a lower prevalence of poverty for both men and women. It has a greater impact for women, however. While men with less than a high school education were twice as likely to be persistently poor compared to men with post-secondary degrees, women were three times as likely to be persistently poor compared to women with post-secondary degrees and four times as likely to be poor for both years as

were highly educated men. Similarly, women with disabilities are more likely to have been poor for the two study years compared to men with disabilities.

Looking at individuals who moved into or out of poverty, we tried to determine the magnitude of the income fluctuations they experienced. We established that, for the most part, entry into and exit from poverty were most often caused by a *significant change* in family income, that is, increases or drops of at least $10,000. Succinctly stated, most poor individuals and households are not hovering just below the poverty line, but rather are experiencing significant levels of poverty. Again, this is slightly more pronounced for women than for men.

The increase in family income required for women to exit poverty leaves no doubt as to the magnitude of the problem. Of all poor women in 1993, only 10 percent of those who had an increase in family income of $5,000 or less escaped poverty (compared to 15 percent of men). Forty percent of poor women and men whose family income increased between $5,000 and $9,999 did so. In other words, almost two thirds of women who extricated themselves from poverty between 1993 and 1994 experienced an increase in family income of at least $10,000. Conversely, 75 percent of individuals who entered poverty in 1994 did so on the basis of a significant decrease in family income, that is, $10,000 or more. The size of these year-over-year income declines would suggest that the changes in market-based income sources are the main factor at work.

Given the depth of poverty and the income increases necessary to rise above the poverty line, what role do income security programs play in reducing poverty? Our findings show a greater dependence of women in poor families on social assistance both in terms of the percentage affected and the greater importance of assistance for their overall income. This is not only true for persistently poor families, but also for families in transition into and out of poverty. Employment Insurance, as expected, supports more non-poor women and men. On the whole, EI does not serve women as well as men in terms of access to and the levels of benefits, a finding that reflects not only the wage levels of women, but also their concentration in more precarious forms of employment.

Policy Options to Alleviate Women's Poverty

This study constitutes a preliminary attempt at using the longitudinal data contained in the SLID to track the dynamic aspect of women's movement into and out of poverty. The information gathered confirms many prior findings in this area. This two-year poverty portrait is similar, to a large extent, to the poverty portrait revealed in comparable cross-sectional surveys. Our study confirms that gender, age and educational attainment are key variables in determining economic vulnerability in the 1990s. In addition, individuals with disabilities, recent immigrants and members of visible minorities have a higher incidence of persistent poverty and are more likely to enter poverty than the general populace. The needs of these particular groups should be central in devising policy and programs that attempt to alleviate poverty.

The longitudinal nature of the study, albeit for only two years, also lets us look at other dimensions that are important to policy and program reform. In our study, we examine the link between family composition and low-income status in detail and find that changes in family composition do influence the economic fortunes of women, both positively and negatively. The poverty entry rate for women who started 1993 in a couple and ended 1994 as single or a lone parent, for example, was 10 times the rate of women who remained a part of a couple over the period. These data clearly show that having more than one earner in the family or household in the absence of access to secure, well-paying employment or adequate income security programs, is a prerequisite to achieving financial security for low-income Canadians, especially women.

The other important finding for policy consideration is the magnitude of the shifts in income associated with falling into and climbing out of poverty. Almost two thirds of women who climbed out of poverty in 1994 did so on the basis of an increase in family income of more than $10,000 while 75 percent who fell into poverty experienced a decline of family income of the same magnitude. These shifts in income are clearly related to changes in market-based income sources, rather than changes in income transfer programs per se, and tend to be associated with, first as noted above, the presence of other earners, and second, changes in income of these other family members (most often male partners). Moreover, reliance on income transfer programs such as social assistance or even Employment Insurance does not afford women a great deal of protection from poverty.

These data suggest that a multi-faceted approach is necessary to alleviate women's poverty, one that combines specific initiatives targeted at high-risk groups (such as single mothers and older women) and initiatives that improve women's economic standing more generally.

Anti-Poverty Initiatives: Existing Research

In the face of persistently high rates of unemployment and poverty over the last two decades, policy and program reformers have debated the merits of various anti-poverty initiatives. At the federal level, successive governments have explored anti-poverty options that fall within their constitutional mandate. The introduction of the Canada Assistance Plan in 1966 was a decisive step in providing enriched and stable funding for provincial anti-poverty programs, most notably social assistance. The Social Security Review of the 1970s considered (and rejected) a Guaranteed Annual Income (GAI). More recently, the federal government has explored the viability of earnings supplements for lone parents (self-sufficiency project in New Brunswick and British Columbia) and specific tax benefits for low-income Canadians. In an important step, it introduced the new National Child Benefit System in conjunction with the provinces to combat child poverty and encourage the labour market participation of low-income parents.

For their part, provincial governments have been engaged in an almost continuous process of welfare reform, driven, in large part, by concerns about the growth of the social assistance caseload and welfare budgets. Through current reform efforts, social assistance in Canada and elsewhere is shifting from being an "entitlement" program designed to

prevent poverty, to a temporary support intended to promote individual self-sufficiency through attachment to the labour force. In this process, the income transfer system is being more closely linked with short- and long-term labour force strategies—specifically education, training and work placements—as well as other support programs, such as child care, transportation subsidies and medical supports, that allow recipients to participate in the work force.

Existing research on anti-poverty programs is fairly conclusive about what types of programs are effective in reducing poverty. Succinctly stated, income transfer programs play a greater role in alleviating poverty than do education or training programs, or other non-cash supports, as measured against a drop in the proportion and number of the poor. For example, in a broad analysis of the War on Poverty programs in the United States, researchers found that social insurance expenditures between 1966 and 1984 had the greatest direct impact on moving people from poverty compared to means-tested transfers (which are explicitly designed to assist those with low income) and non-cash assistance such as food stamps. Efforts to improve the employability of poor individuals held out promise but tended to be compromised by insufficient funding levels and the conditions of local labour markets (a finding that is still true today). American training programs during this period did tend to benefit women over men, and were linked to increased earnings (and, consequently, lower reliance on welfare), but this outcome had more to do with increased hours of employment rather than access to quality employment. Employment and training programs certainly did not make a large dent in levels of pre-transfer poverty, income inequality or welfare use. Researchers made a more convincing case, however, for the positive impact of early education initiatives such as Head Start. These types of programs have been linked to improved outcomes for children over time in terms of educational attainment, and employment and income prospects (Danziger and Weinberg 1986; Friedlander et al. 1997).

Canadian research has also shown the positive impact of income transfers on the poverty rate. In an analysis of families with children, Picot and Myles (1995) found that the relative stability of child poverty rates through the 1980s and early 1990s, in the face of declining labour market earnings, resulted from rising transfers to families with children, as well as a decline in the fertility rate and the labour market behaviour of young adults (staying in school longer, delaying family formation, etc.). The same pattern is evident when looking at the general poverty rate. Transfers have come to play a critical role in offsetting the trend toward greater earnings and employment polarization through the 1990s. The erosion of income transfers since their peak in 1994—especially employment insurance and social assistance—signals greater economic insecurity, especially for high-risk groups such as single-parent families, single women, young people and Canadians with low levels of education (Statistics Canada 1999). In this regard, the reduction of transfers for provincial anti-poverty programs under the Canada Assistance Plan (CAP) in 1989 and, subsequently, under the new Canada Health and Social Transfer (CHST) in 1996, has had a substantial impact on social assistance and other anti-poverty initiatives by spurring reductions in provincial budgets, and allowing greater flexibility in program design and implementation (Scott 1998).

Looking more closely at some of the specific efforts to reform social assistance, provincial efforts have coalesced around one key objective: reducing social assistance caseloads and, in turn, welfare budgets. These efforts have embraced a number of different approaches, including:

- reducing or freezing benefit levels, making social assistance as "unattractive" as possible;
- improving the employability of social assistance recipients through education and training;
- providing supports and services to the working poor (breaking down the "welfare wall");
- linking income support more firmly to employment through mandatory work provisions; and
- redefining eligibility and the "deserving" poor.

Evidence suggests that there has been a drop in the number of individuals relying on social assistance in many provinces, but it is not clear where these individuals are, or if they are better off. Stubbornly high poverty rates through the 1990s suggest that welfare reforms have not led to improved economic security for the poor. Indeed, the poverty gap has grown for some groups of the poor (Statistics Canada 1999). While welfare reforms (i.e., cutting benefits, introducing workfare) may be successful in reducing caseloads per se, they have not necessarily improved the economic well-being of impoverished Canadians (Kapsalis 1996).

Higher levels of education and job experience remain the best routes out of poverty over the long term, especially for economically vulnerable groups including women (PRA 1999b). A comprehensive strategy that combines education and training with other supports such as child care and extended health care benefits can assist low-income people in achieving a foothold in the labour force. Despite the stated focus on welfare-to-work measures, however, welfare-to-work programs in most provinces increasingly concentrate on the shortest route to employment, based on the belief that any job is a good job (Gorlick and Brethour 1999). Programs, such as short-term labour market skills training (e.g., résumé writing) and quick placement approaches have led to lower caseloads in some instances, but these programs tend to benefit recipients who may well have been able to secure employment without assistance. As the American research has demonstrated, short-term programs have been shown to have little impact on recipients who have low levels of education or face other types of barriers such as caring responsibilities. As a result, those who are most vulnerable to persistent poverty end up cycling through a series of low-wage, low-skill jobs (PRA 1999b). Cutbacks in employment supports, such as training allowances covering child care, transportation and other employment-related costs, similarly work to increase rather than decrease the economic vulnerability of poor Canadians. This is particularly true for women and individuals facing significant barriers to employment such as individuals with disabilities (Fawcett 1996).

Thirty years of research show that nothing works miracles. The one notable success over this time has been the substantial reduction in seniors' poverty in Canada. This has been achieved largely through reform and enrichment of income transfers to seniors. Cutbacks in benefit levels and the tightening of program eligibility now threaten the efficacy of the income transfer system to alleviate poverty. In addition, the current preoccupation with integrating paid employment and income transfers, characteristic of current federal and provincial reform initiatives, ignores important lessons from anti-poverty research. These efforts have, in fact, contributed to fewer people relying on income transfers, but they have not necessarily improved the economic standing of low-income Canadians. In particular, recent reforms appear to be leaving the most vulnerable behind, those who for a variety of reasons (e.g., low levels of education, histories of abuse or illness, disability) can be expected to rely on transfers for many years as our evidence suggests. These individuals will clearly be worse off if they are pushed off assistance through increasingly restrictive eligibility and program requirements.

The failure of anti-poverty initiatives to reduce poverty in Canada reveals key flaws in their design. At one level, governments have clearly not committed enough resources to alleviating poverty. Higher benefit levels, financial supports that offset employment costs, good education and training programs that respect personal and cultural differences, supports such as drug and dental benefits that bridge social assistance and employment: all of these things are necessary to alleviate poverty among social assistance recipients and to provide a similar base of supports for the working poor as well.

More generally, anti-poverty initiatives have also stumbled on Canada's record and pattern of economic growth over the last two decades. Research in Canada and the United States has shown the central importance of economic growth in reducing reliance on income transfers and increasing the numbers of individuals in paid employment (PRA 1999b). Stated more strongly, sustained economic growth is, arguably, more important, and more effective, than even well-funded, targeted anti-poverty initiatives in swelling the ranks of the employed. This said, the American and Canadian experiences also illustrate that economic growth alone does not necessarily mean that fewer individuals and families will be living in poverty. Secular economic growth can lead to poverty reduction, *but only if a country's economic rewards are shared.*

While there has been moderate growth in Canada since the end of the recession in the early 1990s, the economic benefits of this growth have been largely confined to certain sectors of the economy and certain groups of workers. Indeed, polarization of employment opportunities and income suggests that cleavages have become more pronounced as the Canadian economy has restructured to be more "globally competitive" (Picot 1998). Economic policies such as trade liberalization and labour deregulation have, in fact, contributed to growing economic insecurity. Taken together with current anti-poverty efforts, these policies appear to be building bridges between low-wage employment and social assistance, increasing the supply and flexibility of low-wage labour. As such, they portend greater economic insecurity in the future.

Anti-Poverty Initiatives: a Gendered Perspective

This general discussion of anti-poverty reform sets the context for looking at the specific situation of women. While successive studies, including this one, have shown that women are vulnerable to poverty, the needs of women have not figured prominently in the anti-poverty debate. Certainly, there has been some attention paid to the particular problems and barriers that single mothers face in providing for their families. The introduction of federal child support guidelines is an important step in the right direction. Providing child care subsidies to low-income mothers similarly acknowledges the real barriers women face stemming from their caring responsibilities. Providing safe housing and services to combat domestic violence are other examples of supports that alleviate women's poverty. But these measures are limited in their impact to the extent that they address the consequences—as opposed to the origins—of women's inequality vis-à-vis the labour market, the welfare state and the private family/household. The very fact that women's fall into, or climb out of, poverty is contingent on the presence and income of other family members, most often a male earner—as is forcefully illustrated in our paper—suggests that the solution to women's poverty does not lie exclusively with access to paid employment, individual entitlement to adequate income transfers and services, *or* the organization of, and relations within, households. Rather, the roots of women's poverty, as well as potential solutions, are linked to all three.

Gender bias in anti-poverty policies and programs in Canada accounts, in part, for the failure, to date, in reducing the number of women living in poverty. Gender bias operates in two ways. On the one hand, anti-poverty initiatives assume that women's needs and interests are the same as men's. The current trend toward linking income support to labour market participation without regard to the circumstances of individuals in need is an example of this (Scott 1995). In reality, most women are simply not at liberty to follow a traditional "male path" to economic security due to barriers in the family/household as well as those in the marketplace. On the other hand, in those policies that do take gender into account, women tend to be exclusively defined in their role as mothers, rather than as individuals with unique backgrounds, needs and interests (Ostner and Lewis 1995). This view of women has played a powerful role historically in defining social and economic policy in Canada and elsewhere, delimiting women's ability to make claims on the state as individuals. Perhaps the clearest expression of this bias is the provision that excludes women from drawing social assistance if a man is living in the house.

Given the limitations of existing anti-poverty approaches, there has been a great deal of debate within the feminist community about how best to achieve economic independence for women vis-à-vis the family/household, vis-à-vis the state and vis-à-vis the labour market (Lewis 1992; Orloff 1993; O'Connor 1993). In part, this debate has centred around the difficult theoretical and strategic issues of "sameness" versus "difference." Should women organize to support women in the role of mother and caregiver, legitimizing and facilitating the claims and labour of caregivers on the state and on the family/household (e.g., wages for housework)? Or, should women abandon family-based policies altogether, social assistance being a prime example, and seek to establish parity in the labour market as individuals (e.g., employment equity, child care)? Gaining access to

employment is the predominant strategy today, particularly in countries such as Canada and the United States, and in Scandinavia, whereas "maternalist" strategies to give state economic support to full-time mothering have been more common in the past and retain some viability in many continental European countries (Ostner and Lewis 1995).

Suffice it to say, there are no definitive answers. Conceivably, a system of welfare provision could be structured to value equally women's contribution as mothers. However, the benefits available to mothers in liberal regimes such as Canada have typically been low, often forcing women to make the choice between low-wage work or poverty-level public benefits (Hobson 1993). Access to paid employment and employment-related benefits would seem to be a more attractive route to greater economic security for women. But, economic restructuring in Canada has resulted in growing polarization in employment opportunities, job security and earnings. Two quite distinct poles of employment growth have emerged in Canada: "one includes highly skilled, well-compensated, stable jobs; the other consists of nonstandard jobs with relatively low levels of compensation and stability" (Economic Council of Canada 1990: 17). Access to paid employment, consequently, means poor women are now competing with men for a reduced share of the economic pie. Equality of opportunity in this instance would seem to imply the opportunity to be equally poor.

We are left with the pragmatic option of proceeding strategically, in the time-honoured manner of equality-seeking groups, aided, it is hoped, by our growing knowledge of both the dynamics of poverty and efficacy of potential solutions. Thus, a comprehensive strategy is needed to address women's poverty in Canada, one that includes:

- specific anti-poverty strategies targeted at women, rooted in an understanding of the complex roots of their poverty; and

- broader strategies to foster women's economic, social and political equality in Canada.

Strategies

1. Anti-poverty strategies

1.1 Transform the current social assistance program into one based on citizenship. Social assistance has a long history of being a stigmatizing program for the poor. Rooted in the English Poor Law tradition, it has operated to demarcate and stigmatize the poor. Under current legislative and regulatory reform in much of Canada, the program is returning to its roots. Punitive eligibility requirements, ongoing monitoring and low benefit levels are designed to deter the poor from applying for assistance in times of economic need. Moreover, in the effort to drive "employables" off the welfare rolls, the needs of citizens who will never be fully self-sufficient are being sacrificed. Poor women and other economically vulnerable groups, such as persons with disabilities, would be better served if there were income support programs designed to provide temporary or long-term support as a right of citizenship (Sainsbury 1993).

1.2 Reduce the relative importance of means-tested programs in supporting poor women. Income support for the poor has always required a means test where the family is the unit of benefits. Women have suffered under this system where their individual needs are assumed to be the same as other family members, and where relations of support are assumed to exist when they do not. These programs are based on the assumption that resources are shared equitably among members of the family unit, where this is often not the case (Sainsbury 1993; Acker 1988).

1.3 Enrich benefit levels. The benefit levels of social assistance programs across the country ensure that women and others in economic need live in poverty. The inadequacy of current benefit levels is well documented. Because women tend to rely on means-tested residual programs such as welfare, more so than men, these programs are a prime cause of women's poverty in Canada. Making benefit levels as unattractive as possible in order to ensure that paid employment is always preferable consigns women to poverty, while ignoring the reasons why women turn to social assistance in the first place.

1.4 Recognize the value of caring labour in program design and delivery. Historically, women's entitlement to welfare state programs was associated with their status as wives or mothers. Since World War II, as women have entered the labour force in large numbers, they have gained status to higher order employment-based benefits in their capacity as paid workers. They are now increasingly seen as gender-neutral workers in income support programs. As a result of this form of gender bias, we see regulatory steps to reduce the age a youngest child can be before single mothers are expected to seek out paid employment "just like men." In developing a model of gender-neutral entitlements, current reforms not only obscure structural inequities that continue to shape women's lives, but undervalue the important caring labour of women, a process that contributes to their poverty in the first place. Women should not be penalized, through restrictive eligibility policies or poverty-level benefits, for opting (where they have the choice) to care.

1.5 Provide a flexible range of income support programs. The economic needs of poor women are not uniform. Consequently, we need a more flexible range of income support options that take account of women's individual needs and circumstances (e.g., caring responsibilities, membership in different ethnic groups). Providing one-time support for the costs of moving to another community to take up employment or offering mortgage assistance are good examples. Programs should be flexible to meet the needs of different women, rather than trying to shoehorn women into existing bureaucratic systems.

1.6 Integrate income support options with *long-term* education and/or employment strategies. Short-term labour force attachment strategies have failed in aiding women to obtain economic and social self-sufficiency, especially for individuals who have weak employment, educational backgrounds or other unique needs. Strategies that assume that any job is a good job do not result in wage increases or moving women out of poverty. Efforts to contain costs by time-limited, one-time programs are ineffective.

Ultimately, long-term education, and training and education programs are more effective, especially for vulnerable populations such as single mothers, women with low levels of education, refugees or older women. They recognize that those with greater personal and family difficulties are often the hardest to assist. We need to provide adequately funded, flexible programs, in conjunction with income supports and collateral supports such as child care, shelter subsidies, attendant care and ESL classes, programs that are crafted to the individual circumstances of poor women and their families.

Moreover, education, training and employment programming needs to be linked to areas of high demand, rather than employment that disappears or declines in quality. If these programs are to lead to improved earnings for women, they need to concentrate on transferable skills, ones that help women climb the job ladder in their chosen occupation. Finally, this range of services and supports should be available to all poor women, through an established educational system.

1.7 Provide "bridging" programs. It is not enough to help poor women find paid employment. It is also important to consider job retention strategies. These types of programs include realistic earnings exemptions, maintaining health benefits and easing access to re-employment services. These programs are an expensive approach but necessary if poor women are to gain and retain a foothold in the labour market. They meet a range of needs beyond just the immediate goal of employment. Many provinces are considering these types of bridging initiatives for low-income families with poor children, particularly those employed in the low-wage labour market (Gorlick and Brethour 1998).

1.8 Address gender inequities in immigration policy. New immigrant women face a host of barriers that make them very vulnerable to poverty. As noted above, they face barriers in the paid labour market due, among other things, to racial discrimination, concentration in low-paid job ghettos and language barriers, and have limited (if any) access to income supports such as social assistance. As a result, new immigrant women tend to be highly dependent on their families for economic support, a dependency reinforced by immigration policy. Women who immigrate to Canada through the family reunification program, in particular, depend on their sponsor—oftentimes their husband or other male family member—for a period of at least 10 years. If their family situation falls apart, they have very few options for economic support and, consequently, can face deportation. Access to income support programs may provide the bridge necessary for women and children in these situations to establish independent households.

1.9 Provide a range of support services for all poor women. High-quality child care is perhaps the most obvious support that women need to participate in the paid labour force. But, there is also a range of other services and supports required, including subsidies for shelter, transportation and employment costs (haircuts, clothing, assistive devices, etc.). Subsidies are only part of the answer, however. Poor women, like all individuals and their families, need strong public services. Cutbacks in child care, services for victims of violence and transit services, for example, render subsidies meaningless unless there is an adequate, accessible supply of services and supports.

It is also important for these supports and services to be sensitive to the cultural and attitudinal obstacles women face in seeking employment. As Canada's society has become more culturally and ethnically diverse, there are new attitudes regarding the family and the appropriate role of women. For some women, the pursuit of paid employment is not an option. This speaks to the importance of providing income support programs for the poor that are available as a right of citizenship, as well as support services that respect the life goals and responsibilities of individual women.

Succinctly stated, by failing to take gender into account in the design and implementation of anti-poverty initiatives, women will continue to be disproportionately represented among the poor.

2. Fostering women's equality

Above, we noted that anti-poverty initiatives have failed time and again because economic conditions did not generate employment opportunities, or produced only very poor ones (Little 1999). Research has shown that economic growth is essential to the success of anti-poverty initiatives generally, and to those specifically targeted at women. This is only true, however, if the benefits of economic growth are equitably distributed. In this instance, a rising tide can lift all boats.

In the same way, pursuing gender equality is also an inherent component of efforts to alleviate women's poverty. The fact that our study shows that women's poverty is more often than not linked to the economic fortunes of other family members, most likely male partners, reveals that fostering gender equality is a necessary prerequisite to addressing the roots of women's poverty.

Reforming the income security system to eliminate de jure and de facto discrimination against women is one important step. Pursuing gender equality in the paid labour market and within the family/household is also critical.

2.1 Introduce and enforce equal opportunity and pay equity laws and programs to reduce workplace discrimination. Pursuing paid employment can be an effective anti-poverty strategy for women only if women have access to good employment opportunities. Historically, this has not been the case. Women continue to earn, on average, about 70 percent of what men earn. In large part, this stems from the concentration of women in certain sectors of the economy (e.g., personal services) and certain forms of employment (e.g., part-time work). Recently, certain groups of women have made gains in earnings, particularly among those working in highly skilled, public sector jobs (Scott and Lochhead 1997). That said, many groups of women still struggle to make ends meet on the margins of the economy.

Evidence from the United States has shown that pay equity and employment equity programs can be effective in increasing women's employment and earnings, at least for some groups of women. To be effective, it is crucial to set out the type and magnitude of the changes expected, include timetables for their achievement and specify penalties

accruing to organizations that fail to achieve required results (PRA 1999a). The scope of coverage and efficacy of Canada's policies is uneven. We need broader coverage and more stringent enforcement mechanisms at the provincial and federal levels.

2.2 Enhance and enrich paid maternity, parental and family leave. Labour standards legislation in all provinces provides for unpaid leave for maternity and other forms of family leave. Maternity and parental benefits, however, are only available to women with paid employment through the Employment Insurance program, provided they meet eligibility requirements. Maternity and parental leave "top-ups" and other types of family leave are available through some private workplaces, typically those that are unionized. When workplaces do offer supplementary benefit packages, the benefits tend to be directed to "high end" employees. Just as those with greater human capital tend to receive higher pay, so will the rewards of family-oriented benefits; those with the greatest need, receive the least.

The Canadian system of public and private leave provisions is in need of major reform, with the notable exception of Quebec. The new Employment Insurance program is particularly problematic. With its introduction in 1996, access to benefits has fallen precipitously. In 1997, only 32 percent of the unemployed women successfully claimed regular Employment Insurance and benefits (CLC 1998b: ii). As well, maternity claims fell by 7.3 percent between 1996 and 1997 (CLC 1998a). Other provincial jurisdictions have been slow to improve unpaid family leave time as well. Indeed, the trend to greater deregulation of labour markets works to entrench the assumption that the unpaid work of families (and women in particular) can stretch infinitely to cope with competing demands of work and family.

Clearly, much could be done to standardize the legislation and regulations governing family leave in Canada, including the type of family-related leaves, eligibility requirements, lengths of leaves and guarantees of rights to return to paid employment. This would be especially important for the many women who do not enjoy the protections afforded by federal labour law or collective agreements. There is a very real need to ensure that the growing body of non-standard workers (including the self-employed) has the same access to leave programs as standard workers. At the same time, steps should be taken to improve income replacement levels. By international standards, Canada's package of public leave provisions is not very generous. (See Gauthier 1996; Baker 1995.) Canada must recognize, as many European countries do: that society has a role in caring for children, that parents should have the choice to spend more time with their very young children, and that parents' income and future participation in the labour force should not be sacrificed because of their caring responsibilities.

2.3 Build a high-quality, affordable and accessible public child care system. Child care is critical to women's ability to participate in the work force on an equal footing with men. Lack of quality care is *the* critical issue for many families struggling to make ends meet. It is especially important in supporting poor women who are working or pursuing education or training.

Good child care and elder care remain very difficult to find. Available data indicate that the supply of child care in Canada is inadequate to meet the care needs of families with young children and school-age children. One American study suggests that 75 percent of mothers and 57 percent of fathers have trouble finding care (BNA 1989). Most employees who provide care for dependants report that they have little control over dependent care. Demand continues to outstrip supply, especially for licensed spaces.

Currently, each province provides subsidies to low-income families, while the federal government provides support via the child care expense deduction. Both programs are important but do not address the critical shortage of child care. Indeed, cutbacks or elimination of funding for capital expansion and wage rollbacks in the sector in some provinces further threaten Canada's supply. After steady increases in the number of spaces through the 1980s and early 1990s, expansion has stalled. The proliferation of private sector providers and deregulation further threatens the quality of existing care. A co-ordinated federal–provincial strategy is necessary to develop a high quality, affordable system of child care alternatives for Canadian children. This would be a key step toward addressing women's poverty.

2.4 Address conditions in the low-wage labour market. Polarization in earnings has increased through the 1990s (Picot 1998; Beach and Slotsve 1996). The labour market is no longer providing adequate wages and stable employment for a growing number of individuals and their families. Women, in particular, continue to be concentrated in low-wage, non-standard employment (Armstrong 1994). The ramifications are far reaching. Not only do these women struggle to make ends meet on very low wages, they also have poorer access to benefits and other employment-related transfers compared to "standard" workers in core sectors of the economy.

Until now, the costs and benefits of these economic trends have not been properly examined. The mantra of deficit and debt reduction through the 1990s led to a single policy response: cut government spending and public debt, achieve lower interest rates, and hope that well-paying jobs will eventually trickle down to the working poor. Placing faith in the capitalist market has had significant consequences for poor women. The marketplace as it currently functions is unlikely to generate enough well-paying jobs for those who are poor. Unless changes are made to our labour market institutions, it seems unlikely that women who are now market poor will have any real hope of becoming more self-reliant in the future. Reforming income security programs to encourage participation in the low-wage labour market will not necessarily raise women out of poverty. Both levels of government need to address conditions in the low-wage labour market in order to alleviate conditions of working poverty.

Governments should raise minimum wages in conjunction with the cost of living. Steps should be taken to extend benefits such as employment insurance to non-standard and self-employed workers, many of whom are women. Protections under employment standards legislation should be enhanced to provide greater protection for workers who are not covered by collective agreements. Enhancing the progressivity of the tax system, including

fully indexing income thresholds and tax expenditures would be important steps toward alleviating women's poverty. (Note: the federal government announced its intent to re-index the tax system in the 2000 budget.)

2.5 Facilitate the organization of workers. Unions have played a key role in improving working conditions. In countries where the rate of unionization is high, the wage gap between those at the top of the wage scale and those at the bottom is narrower than in countries where unions are not prominent. Sweden is a case in point. The compressed wage structures associated with centralized-wage setting systems has led to higher relative wages especially for women (PRA 1999a). In Canada, where women are concentrated at the low end of earnings distribution, such a policy would serve to narrow the overall earnings distribution and the gender gap in pay as well.

2.6 Encourage a more equitable balance of power and resources within families/households. Discrimination in the labour market is inextricably linked to the gendered dynamics of families and households and the devaluation of caring labour. Women's historic role in taking care of the reproduction needs of the family continues to delimit women's social and economic choices.

Any discussion of economic autonomy, then, must acknowledge the constraints and opportunities that shape women's lives. Specifically, we cannot assume that redistributive policies based on family incomes necessarily improve the position of women in the family and society (Davies and Carrier 1999; Hobson 1990). Social and labour market policies designed for the family as a unit—where the man is the major breadwinner and a gendered division of labour exists in the household—tend to deepen the gap between men's and women's power in the family and in society, and thus institutionalize gender inequality. For example, provisions that link pensions, employment insurance, welfare or other benefits to families rather than individuals appear likely to cause more social and economic problems than they solve. Similarly, policies that assume men are the primary breadwinner in family-based employment, as the TAGS program did, increase poverty among women as well (Luxton 1998).

Much could be done to instill or reinforce equitable relations between men and women to create a more economically level playing field between men and women, ranging from moral suasion (e.g., encouraging men to participate in caring) to regulations that entrench the principle of individual entitlement in income and tax programs, to programs that actively combat violence against women. Working toward a more equitable division of power and resources within families and households provides the platform for greater economic autonomy among women.

2.7 Value caring labour. It is necessary to address inequities within the family and household in order to alleviate women's poverty. A critical part of this task is to value caring labour. To a large extent, women's poverty can be attributed to our society's devaluation of caring labour (Ungerson 1990; Acker 1988). Nowhere is this more

graphically illustrated than in the low wages we pay to child care workers, and the low benefit levels we extend to single mothers on social assistance.

The debate around caring labour is relatively recent. Just as much of women's work in the home is invisible, gender bias in public policy and program discussions has rendered caring invisible. Yet, with regards to the organization of caring labour: Who cares? Who pays? How is it provided? The answers have profound ramifications for women and their likelihood of being poor, as illustrated in our study.

Feminist scholars have attempted to bring caring into focus by identifying and quantifying women's caring and unpaid labour (e.g., devising a new measure of gross domestic product that takes household labour into account), and then detailing the links between their caring labour and position vis-à-vis the family, the labour market and the state. Various options have been explored to value caring labour, including payment by the state for care, and individual rights under the social security system to caregiving benefits. McLaughlin and Glendinning (1994) point out, however, that pay rates in the case of the former tend to be extremely low, while experiments with the latter have been problematic. The British invalid care allowance, for example, is designed as compensation for income foregone by caregiving, rather than a wage for caregiving per se.

In part, the lack of progress in valuing caring labour through these types of mechanisms stems from ambivalence among women's groups about how exactly to do so without further reinforcing the male breadwinner–female caregiver model of family, a model which has greatly contributed to women's poverty in the past. So long as women are perceived as ultimately responsible for caring work, there is potential danger in these types of initiatives. Yet, ambivalence should not stop efforts to find ways that value women's caring labour in concrete ways, ways that contribute to women's economic independence, as it continues to shape fundamentally the economic autonomy of women over their lives.

Conclusion

The solution to women's poverty lies in providing a range of options that afford women a choice over their lives. The fact that women are more vulnerable to poverty and that their poverty hangs on access to the income of other family members as we have found in this study suggests that there is an acute need for policies and programs that foster women's economic independence. The link between economic security and dependency through marriage or other personal relationships, revealed in this study, is problematic. Paid employment is clearly one route to greater economic autonomy, but only one. In addition, we need to look at issues of autonomy within households and vis-à-vis the state. Alleviating women's poverty is ultimately about giving women choice: the choice to pursue paid labour, the choice to care for others or even follow other personal interests without sacrificing their own well-being or the well-being of their families.

APPENDIX: LOW INCOME CUT-OFFS USED IN ANALYSIS

Table A-1: Low Income Cut-Offs for 1993 (1992 base) and Low-Income Measure, Before Tax

	Low Income Cut-Offs ($)					
Size of Family Unit	Size of Area of Residence				Rural Areas	Low-Income Measure
	500,000 and over	100,000 to 499,999	30,000 to 99,999	Less than 30,000		
1 person	16,482	14,137	14,039	13,063	11,390	12,011
2 persons	20,603	17,671	17,549	16,329	14,238	
3 persons	25,623	21,978	21,825	20,308	17,708	
4 persons	31,017	26,604	26,419	24,583	21,435	
5 persons	34,671	29,739	29,532	27,479	23,961	
6 persons	38,326	32,874	32,645	30,375	26,487	
7 or more persons	41,981	36,009	35,758	33,271	29,014	

Source:
Statistics Canada, SLID Microdata User's Guild, Catalogue 75M0001GPE, p. 130.

Table A-2: Low Income Cut-Offs for 1994 (1992 base) and Low-Income Measure, Before Tax

Size of Family Unit	Low Income Cut-Offs					
	Size of Area of Residence				Rural Areas	Low - Income Measure
	500,000 and over	100,000 to 499,999	30,000 to 99,999	less than 30,000		
1 person	16,511	14,162	14,063	13,086	11,410	12,299
2 persons	20,639	17,702	17,579	16,357	14,263	
3 persons	25,668	22,016	21,863	20,343	17,739	
4 persons	31,071	26,650	26,465	24,626	21,472	
5 persons	34,731	29,791	29,583	27,527	24,003	
6 persons	38,393	32,931	32,702	30,428	26,533	
7 or more persons	42,054	36,072	35,820	33,329	29,064	

Source:
Statistics Canada, SLID Microdata User's Guild, Catalogue 75M0001GPE, p. 131.

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ENDNOTES

[1] This analysis is based on Statistics Canada's Survey of Labour and Income Dynamics, public use microdata, 1993-94 which contains anonymized data collected in the Survey of Labour and Income Dynamics. All computations on these microdata were prepared by Clarence Lochhead, assisted by Grant Schellenberg.

[2] Joan Acker (1988) introduces the concept of "the relations of distribution" to broaden our understanding of the social relations that underlie class divisions. She argues that the wage, welfare state benefits *and* personal relations of distribution are "interconnected processes that distribute the means of survival to most people in industrial capitalist societies" (497). Drawing attention to personal relations of distribution and dependency in the family/household is important to understanding the subordination of women. While increased employment rates are important, they do not fundamentally alter gendered relations of distribution within the family. She argues that "economic independence from men may only change the nature of vulnerability for those women who can get only low-income and unstable work" (497).

[3] Information about poverty status in 1993 or 1994 is "missing" (including "don't know" and "not applicable" responses) for 419 women and 514 men (2.9 percent of the unweighted sample of women and 3.8 percent of the unweighted sample of men).

[4] Researchers in the United States have used far more rigorous criteria to measure the persistently poor; in some instances, requiring as much as nine consecutive years of poverty (Ruggles 1990; See also Duncan 1984; Eller 1996). There is no consensus on the appropriate duration of poverty that would constitute persistent poverty. It is clear, however, that the availability of longitudinal data in Canada sets methodological limits. The SLID used in this report currently contains only two years of data. As more years of the survey become available, it will be possible to examine longer durations of poverty. (See Drolet and Morissette 1999.)

[5] A similar perspective can be taken with the problem of unemployment. The standard methodology for the measurement of unemployment is based on monthly averages. For each month of the year, an unemployment rate is calculated. At the end of a given year, a monthly average is calculated to produce the unemployment rate for the year. As a result, the official unemployment rate and the number of unemployed underestimate the actual number of people who experience unemployment over the course of a one-year period. A recent article published by Statistics Canada in *Perspectives on Labour and Income* (Noreau 1996) shows how unemployment rates can differ when the reference period changes from a monthly figure to a yearly figure. In 1993, the official unemployment rate (the monthly average) was 11.2 percent. But if we measured the proportion of individuals who were unemployed at some time during the year, the rate nearly doubles to 21.6 percent.

[6] In March 1999, Statistics Canada released preliminary findings on poverty from the Survey on Labour and Income Dynamics for 1993 through 1996. Based on four years of data, they conclude that lone-parent families, people with work limitations, visible minorities and post-1976 immigrants are at high risk of exposure to low income. Similarly, young people (regardless of student status) and individuals with little schooling are at a greater risk of poverty (Drolet and Morissette 1999: 12-13).

[7] Readers are reminded that the estimates of the absolute number of poor women and men are most likely low due to the exclusion of non-response or missing data. See Chapter 1 of this report. Under the assumption that poverty rates observed among respondents with valid answers also pertain to "missing" or non-response cases, there would be an additional 95,100 poor men and an additional 95,200 poor women.

[8] In the four-year study of SLID, Drolet and Morissette (1999) found that women over age 16 were more likely to spend at least one year in poverty than men: 22.0 percent of women compared to 17.5 percent of men. Almost six percent of women and four percent of men spent the entire four years between 1993 and 1996 living in a low-income household (24).

Logistic regression revealed that the probability of having low after-tax income for four years was similar for men and women (i.e., roughly two percent). However, women were more likely to receive low income for at least one year (17 percent) than men (14 percent) (Drolet and Morissette 1999: 13).

[9] Higher rates of poverty are evident among young Canadians (16 to 24 years) over the four years of the study as well. These data are not broken down by gender (Drolet and Morissette 1999: 24).

[10] In the SLID, the identification of persons belonging to a visible minority is based on a series of questions pertaining to ethnic background, mother tongue and country of birth, using a procedure developed by the Interdepartmental Working Group on Employment Equity Data, for the 1991 Census of Population. A full description of this procedure is described in Interdepartmental Working Group on Employment Equity Data 1993.

[11] According to Drolet and Morissette, about 17 percent of Canadians (both men and women) who are members of visible minority groups experienced low income for four consecutive years, compared to four percent for other Canadians; 30.9 percent spent at least one year in poverty between 1993 and 1996 compared to 18.9 percent for Canadians who did not belong to a visible minority group (Drolet and Morissette 1999: 11-12).

[12] According to the 1996 Census, 94 percent of visible minorities lived in a census metropolitan area, compared with 62 percent of the total population (Statistics Canada 1998). Since people in large urban centres generally have higher rates of poverty, the differential poverty rates of visible minority and non-visible minority populations shown in Table 7 could be due to urban location. However, analysis of 1996 Census data shows that

even *within* Canada's three largest metropolitan areas, large poverty differentials exist between visible and non-visible minority populations.

[13] The SLID definition of disability is a long-term condition that "limits the person at home, at school, or in other activities, or in the kind or amount of activity he/she can do at work." For a full description, see Statistics Canada 1997a.

[14] Canadians with work limitations (both men and women) are more likely to face low income: about 16.7 percent were exposed to low income for four years and 40.3 percent were in low income for at least a year (Drolet and Morissette 1999: 24).

[15] While the rate of poverty or low-income among individuals with completed post-secondary education has increased since the early 1980s, this does not strictly mean that individual "returns" to education have diminished. Other factors, such as changing family structure (e.g., increased number of lone-parent families) and an increase in the number of students seeking second or third degrees/certificates, have also contributed to the increased rate of poverty.

[16] Among Canadians over age 16, at least 24.1 percent of those with less than a high school education spent one year in poverty between 1993 and 1996 compared to 17.4 percent for high school graduates, 18.8 percent among those with some post-secondary training and 10.1 percent among university graduates (Drolet and Morissette 1999: 24).

[17] Readers will note that in Table 8, the rates of exit are much higher than the rates of entry. For example, of all poor women in 1993, 21.2 percent (399,000) were no longer poor in 1994. In contrast, of all non-poor women in 1993, 6.9 percent (640,000) became poor in 1994. Despite the fact that rates of exit are higher than rates of entry, the "net" result of these flows into and out of poverty was an increase in the number of poor women (increasing by 241,000). The reason for this stems from the way in which the two rates are derived. Entry rates are based on the total number of non-poor individuals in 1993 (a large population), whereas exit rates are based on the total number of poor individuals in 1993 (a relatively smaller population).

[18] The exit rate should not be interpreted as the probability of leaving poverty after one year, since there is no way of determining poverty status prior to 1993. Individuals who were poor in 1993 and exited in 1994 could have been poor for several years before the observed transition.

[19] Similarly, a move from an urban to a rural area or vice versa could also alter the poverty line, since the LICO is adjusted by size of community. A family could cross the low-income threshold without changing its income as a result of moving to another community (or facing higher/lower costs of living related to the new community). This question—not explored here—deserves further study.

[20] Noreau et al. (1997) also found changes in the make-up of families, particularly marriages and separations, had a strong impact on family income between 1993 and 1994. In 1994, 41 percent of all individuals (males and females) who entered low income, and 28 percent who exited, had undergone a change in family composition. Marriage (including common-law) usually had a positive effect on a person's financial situation: two thirds of low-income Canadians who married in 1993 rose above the threshold in 1994. By contrast, separation often precipitated a period of low income, and one quarter of people who were above the cut-off when they separated in 1993 fell below it in 1994 (Noreau et al. 1997: 14-17).

[21] Because of sample size limitations, only those changes in family type that are most common are examined.

[22] The rate of exit among women in this group who were under 65 years of age is also 11 percent.

[23] Noreau et al. (1997: 14) estimate that 22 percent of individuals who rose above the LICO in 1994 gained at least one additional family member that year. Conversely, 34 percent of all persons who dropped below the cut-off in 1994 lost at least one family member that year.

[24] In a recent Statistics Canada study of child poverty, researchers found that changes in family composition (as a result of divorce or marriage) have a greater influence on the likelihood of individual children entering or exiting poverty than changes in parental employment (job loss or gain, or changes in hours or wages). However, changes in family status are relatively infrequent compared to labour market changes. When this is accounted for, flows of children into and out of poverty are associated equally with family compositional changes and changes in wages and hours worked (Picot et al. 1999).

[25] This is the phrase used by Statistics Canada to describe the situation of those below the LICO.

[26] While the focus of this report is on individuals who fall below the LICO, it should be noted that declines in family income can have serious consequences for others as well. Judith Maxwell (1993: 32) has observed that "a family with two incomes, a home, two cars and a large mortgage can be shaken to the core by the loss of one of those incomes."

[27] Poverty entry rates are indeed much higher for modest income families than for those at the middle or upper end of the income distribution.

[28] Average income for families was $53,157 in 1993 and $54,153 in 1994, in constant 1994 dollars. Average income among unattached individuals was $23,544 and $23,746 in 1994, in constant 1994 dollars (Statistics Canada 1995: 19).

[29] The participation rate includes those who have paid employment, either full time or part time, and the unemployed. Armstrong and Armstrong 1994: 16; Statistics Canada Labour Force Historical Review, microdata file, 1995.

[30] Transfer income is defined here broadly and includes social assistance, Employment Insurance, CPP/QPP, Old Age Security/Guaranteed Income Supplement, Spouse's Allowance payments, refundable provincial tax credits and the Goods and Services Tax credit, but not in-kind benefits.

[31] The profile of family poverty status was similar to the profile in 1993.

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* Some of these papers are still in progress and not all titles are finalized.